

**Organisational Change and the Process of Knowing: The Role of
Communities of Practice within the Context of a Merger in the UK
Brewing Sector.**

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**Thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy**

**Cardiff Business School
Cardiff University**

2006

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Acknowledgements

I would like to thank my principal supervisor, Rick Delbridge, for his continuous support throughout my doctoral studies. I would also like to thank Tim Edwards and Mike Reed for their insightful comments and useful suggestions on my thesis, as members of the supervisory panel.

I am grateful to my parents for their multifaceted support, understanding and patience.

I am also indebted to Sonja Haerkoenen for her emotional support, proof reading and valuable knowledge of the more “obscure” aspects of Microsoft Word! You didn’t have to do it but you did and I thank you.

Last but not least, to my good friend Lucy Lin: Thank you for your friendship, you were always there when I needed you.

ABSTRACT

This dissertation presents the findings from a study focusing on the emergence of communities of practice in the context of organisational change. In doing so, it tries to examine how informal learning might be influenced by change – which in several cases implies alterations in practice/work – and it explores the possibilities for organisations to “manage” communities of practice to improve performance. Research took place in a merging organisation in the UK brewing sector. The author gained access in two settings: the finance department of the organisation’s Northern Irish subsidiary based in Belfast and the telesales department of the Scottish subsidiary based in Glasgow. Overall, 60 semi-structured interviews were conducted with participants from both settings while the author also had the opportunity to employ non-participant observation and document analysis.

The study examines the way in which informal learning and knowledge sharing unfolded in the two settings, following the merger, while also exploring the outcomes of those processes through a perspective that favours “knowing” as part of action. The findings show that in Belfast, where the nature of change resembled past experiences and the historically constituted workplace context favoured similar efforts, knowledge sharing was characterised by a relative lack of conflict. In contrast, change in Glasgow was seen as more radical in its nature as it affected key elements of the work/practice of the telesales employees and it was linked to further changes in the sectoral context in which the organisation operated. Consequently, knowledge sharing lacked coherence and it was influenced by workplace politics and the existence of divergent understandings of what successful practice was in the setting. Accordingly, the challenges for those responsible for operationalising change were different in the two settings.

The findings also reveal that the nature of work/practice within the two settings differentiated the outcomes of the process of informal knowledge sharing and application as well. Therefore, in Belfast informal collaboration among the local practitioners led to a standardisation of working procedures. In contrast, given the important role that the telesales department had in realising the new company’s strategy, knowledge sharing in Glasgow led to an improvisation in working procedures, something that allowed local practitioners to remain innovative in the course of their jobs.

The study concludes that a better understanding of the ways in which learning and knowledge sharing develop in communities of practice can be achieved by locating those processes in their meaningful contexts, paying attention at the same time to the role of power differences. This task, in combination with an adoption of a dynamic view of knowledge, can also help us explore more critically the implications that those informal processes of learning have for managerial action.

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CHAPTER 1: INTRODUCTION

1.1: The Rationale for the Study

Research on knowledge management and organisational learning has often been characterised by normative approaches that regard knowledge as an entity that needs to and can be managed, thus paying specific attention to knowledge codification, storage and retrieval and treating learning as an activity that takes place outside the context of everyday work (Dodgson 1993; Swan and Scarbrough 2001). In contrast, the literature addressing learning and knowing within communities of practice (Lave and Wenger 1991) has provided a valuable alternative as it treats learning as something that occurs in conjunction with working rather than in isolation from work. In this way, it has helped us appreciate the role of informal learning processes that take place in firms and their contribution to innovative capability, while it has also inspired theoretical explorations which have contributed towards a more dynamic view of knowledge creation and application (Tsoukas and Vladimirou 2001; Styhre 2003).

However, the communities of practice literature is not without its limitations. Firstly, as recent critiques have noted (e.g. Contu and Willmott 2003), authors have tended to place an emphasis solely on the interpersonal relationships among the members of such collectives, thus overlooking the impact that elements of the wider macro-context (social, economical, political) might have on the way those dynamics are played out. Secondly, this emphasis on the local conditions in which informal learning activities unfold, in combination with the positive connotations of the word *community*, have led authors to implicitly take for granted the elements of consensus and trust (e.g. Brown and Duguid 1991) without fully exploring the possibilities for friction as a result of conflicting interests or divergent understandings of *practice*. Thus, the impact of workplace politics has been recognised as an area for further exploration in relation to this literature (Fox 2000), particularly if one takes into consideration the increasing interest in the possibilities of “managing” communities of practice for securing competitive success. The notion of “cultivating communities of practice” (Wenger et al. 2002) has been used specifically in discussions of the application of the concept in the context of business organisations. However, given the functionalist readings of recent accounts (for example, the aforementioned work

by Wenger et al.), where it is assumed that communities of practice are readily amenable to managerial intervention and control (Contu and Willmott 2000), a critical understanding of the role that those in managerial positions might play in relation to informal learning activities has yet to be fully reached.

This study attempts to address the above identified limitations by examining the emergence and changing nature of communities of practice in the context of organisational change, in this case a merger. Focusing on the aftermath of a merger has the potential to facilitate our examination of micro-level interaction around the sharing of relevant knowledge. Informal processes of knowledge sharing have been characterised as a crucial element in the implementation of change, especially in cases of post-merger integration (Leroy and Ramanantsoa, 1997). Thus, the intended contribution of this research lies in the integration of those two fields of study, i.e. processes of knowledge sharing and change. The use of the communities of practice concept in this study can help examine more effectively how research participants might make sense of their work in relation to certain objectives derived from the context of the merger. Also, in contrast to approaches that solely focus on the actions of those in managerial positions, focusing on the work practice of non-managerial practitioners has the potential to provide us with a more complete picture of the challenges related to implementing change. In particular, it will be shown that issues related to change implementation do not revolve solely around proper communication and similar managerial initiatives but also include the point of how *practice* is understood at the lower levels of the organisational hierarchy.

On the other hand, in an effort to look beyond the actions of individuals and the role of interpersonal relations, the context of the merger and more specifically an exploration of its rationale and implications, can help raise our awareness of the impact of wider macro contexts (related, for example, to the sector in which an organisation operates, or to the nature of capitalist economy) within which intra-organisational knowledge sharing is inevitably embedded. In addition to providing the possibility of examining knowledge sharing in a grounded context, the potential that an event like a merger has to affect/alter established readings of work/practice, as mentioned in the above paragraph, can direct more explicitly the focus of the research

on understanding how informal learning processes might be influenced by workplace politics and clarifying the role that management might play.

The task of situating the emergence of communities of practice in its meaningful contexts has been informed by a critical realist ontology. Ontological and epistemological issues are discussed in greater detail in Chapter Four, but here it should be stressed that one of the key points of a critical realist understanding of the social world is the distinction between observable events and the structures and mechanisms that actually cause what happens whether we experience it or not (Danermark et al. 2002). A consequence of such a distinction is that for critical realists an explanation involves looking “underneath the surface” to identify the structures or mechanisms capable of generating what has been observed as part of doing research. This can mainly be achieved through retrodution, i.e. a thought operation consisting of “asking questions to clarify...the basic prerequisites or conditions for social relations, people’s actions, reasoning and knowledge” (Danermark et al 2002, p.96).

Thus, the focus of a critical realist meta-theory on providing grounded but not deterministic explanations of observed events (as will be stressed in Chapter Four) can be of benefit to this research which seeks to analyse the way knowledge sharing unfolds in the context of a merger by drawing connections between micro-level interactions and events that take place at a more macro-level of inquiry. Additionally, a critical realist perspective is also relevant to this study as it explicitly recognises the existence of power differences and conflicting interests deriving from the relational nature of social structures in which agents occupy different positions. This position differs from recent critiques on the communities of practice literature, such as the one by Contu and Willmott (2003). As will be stressed in Chapter 3, although they underline the importance of paying attention to issues power when analysing informal learning at the intra-organisational level, they focus almost exclusively on the asymmetries of power within the context of capitalist employment relations. That prevents them to some extent from talking more openly about the impact that different elements of broader social structures might have on micro-level knowledge sharing.

Finally, with regard to research design, from a critical realist viewpoint, comparative cases can provide a basis for retrodiction, i.e. the identification of generative mechanisms (Danermark et al 2002). Thus, after a number of mechanisms are postulated at a theoretical level, the comparison between different cases to find similarities and differences with regard to the phenomena in which a researcher is interested allows for a clarification of how those mechanisms have interacted with the contingencies of local contexts (Tsoukas 1989, p.559). In this case, fieldwork mainly took place in two settings of a merging organisation operating in the UK brewing sector, “Brewers Limited UK”. The formation of the organisation came as a result of the merger of “O’Hagan Brewers”, a UK company, with “Brewers Limited”, a Belgian company. Both settings were part of the former “O’Hagan Brewers” organisation. The first setting was the finance department of “BL(UK)”’s Northern Irish subsidiary based in Belfast and the second setting was the telesales department of the company’s Scottish subsidiary based in Glasgow. More information on the settings and on the merger’s background is presented in Chapters Four and Five. “BL(UK)” emerged as an excellent research site, as it signalled the integration of two different organisations and therefore it provided the researcher with the opportunity to explore knowledge sharing in relation to issues such as the influence of politics, the role of managerial action etc. Before moving on to describe the structure of the thesis, it would be useful at this point to summarise the main objectives of the research. This study seeks:

- 1) To explore the impact of organisational change on the emergence of communities of practice. In particular, to identify the extent to which the merger facilitated or inhibited informal learning processes.
- 2) To explore how these informal processes of learning and knowledge sharing were influenced by the local workplace context of the research settings both prior to and after the merger. Specific attention is paid to the nature of practice/work in the settings, the normative role-related expectations of the practitioners and the nature of social relations.
- 3) In addition to a focus on the workplace context, the research also sets out to identify the impact that changes in the wider sectoral context might have had on the way informal learning and knowledge sharing unfolded in the research settings post-integration.

- 4) To identify the extent to which micro-politics (in the form of conflicting interests and diverse interpretations of practice) impacted on the emergence of communities of practice and to develop a more critical understanding of the issue of managerial involvement in encouraging/shaping those informal interactions.
- 5) To look inside the process of knowing undertaken in communities of practice by exploring how the outcomes of informal knowledge sharing in the research settings were influenced by the nature of practice/work and the objectives relevant to organisational change.

1.2: The Structure of the Study

Chapter Two reviews the literature on strategic change, capturing the development of the field from approaches focusing solely either on the role of agents or the role of structure to the emergence of a processual approach - in the early to mid 1970s – that focuses on the interplay between the two, also incorporating an understanding of change as a political process. In keeping up with recent developments, the chapter also examines the recent emergence of an activity-based view of strategy and change which aims to explore the everyday activities that constitute the process of organising/strategising. Additionally, specific mention is made of approaches that adopt a processual ontology of change, thus giving it ontological priority over the concept of organisation. Finally, there is some discussion on the literatures of change resistance and mergers and acquisitions and the extent to which they address the existence of conflicting interests and the influence of micro-politics in relation to change.

The chapter concludes that a focus on the interaction between agency and structure/context, in combination with an appreciation of the role that conflicting political interests might play in organisations, can indeed help to obtain a better understanding of change, in this case change implementation. However, the dynamics around such an activity as well as its outcomes can be explored more effectively if, apart from an emphasis on the everyday activities of managers (as it derives from the activity-based view perspective), analysis also takes seriously into account the micro-processes of knowledge sharing unfolding at the lower levels of organisational

hierarchy. However, those have to be considered in relation to the wider contexts in which they are embedded.

Chapter Three reviews the literature on knowledge management in general and communities of practice in particular. In a fashion similar to Chapter Two, this chapter begins with examining approaches characterised by a functionalist view of knowledge as a static entity that can be captured, retrieved and exploited, gradually shifting emphasis to a processual view that links knowledge with action. An outline of the implications of that perspective leads to a more detailed look at the literature examining knowing and learning in communities of practice. Finally, the last part of the chapter concerns the limitations of that literature and the intended contributions of this study.

Chapter Four focuses on the ontological perspective that has informed this study, i.e. critical realism. The main aspects of this perspective are examined while the chapter also considers its epistemological implications with regard to research design and methods. Finally, the chapter provides a more detailed account of issues related to the use of the selected research methods and to access negotiation together with a description of the research settings.

Chapter Five provides a description of the main characteristics of the UK brewing sector, also looking at the profiles of the three companies involved in the merger which constitutes the focus of the study. Having provided background information on the formation of the case organisation (the result of the merger), the chapter goes on to focus on the rationale of the integration project, its structure and the main issues deriving from it, thus preparing the ground for the analysis as it unfolds in the next two chapters.

Chapter Six details the emergence of communities of practice following the merger, examining the influence that the intra-organisational as well as the sectoral contexts had on this process. Accordingly, there is a focus on the role of workplace politics and managerial activity in relation to informal knowledge sharing. In explaining the differences in the way informal learning unfolded in the two settings, the chapter draws from key aspects of the critical realist ontology outlined in Chapter Four to

show how informal micro-processes of knowledge sharing can be linked to broader socio-economic contexts.

Chapter Seven places the emphasis on the process of knowing itself, providing a picture of how relevant knowledge was shared among the practitioners in the settings and how the outcomes of this process were influenced by the nature of practice/work and the roles of the practitioners with regard to their contributions to the strategic objectives of the new organisation.

Chapter Eight summarises the main contributions of this study while it also outlines how key ideas deriving from this research might inform future research in related areas. In particular, it is argued that this study makes three contributions to the relevant literature/s. Firstly, it provides empirical evidence related to the impact that macro socio-economic contexts might have on informal processes of learning and knowledge sharing unfolding at the local workplace level. Secondly, through an explicit focus on the role of workplace politics (and their influence on knowledge sharing), this study provides a clearer picture of the possibilities of “managing” communities of practice. Thirdly, the study adds further insights to recent attempts examining issues of knowledge sharing and creation in relation to the social context in which they unfold and the objectives they are aimed at. This is accomplished through the adoption of a processual perspective that focuses on the process of knowing as part of action and examines its relation to knowledge.

CHAPTER 2: UNDERSTANDING STRATEGIC CHANGE

2.1: Introduction

This chapter will examine the various approaches regarding the management of strategic change, tracing a trajectory in the relevant literature, starting from the late 1940s with the conception of change as a planned process with an emphasis on the individual agent, an approach which has influenced many models on change through the years and until the 1980s. This approach is rivalled by the notion of strategic change as an emergent process influenced by structural forces, a view which first became influential at the end of the 1960s and remains popular until the present time, especially in the US. Additionally, particular mention will be made of the contextualist school of thought, whose principal theoretical underpinnings started taking shape in the beginning of 1970s, and which has proved to be very influential until today. The latter perspective has paved the way for recent advances – mainly from the mid 1990s – in the literature that focuses on the micro-practices which reside within the process of strategic change. Additional mention is also made of approaches that focus on micro-processes of change, thus prioritising ontologically change over organisation. Finally, there is a brief discussion of the literatures on change resistance and mergers and acquisitions and the extent to which they allow a serious consideration of the influence of micro-politics . The concluding part of the chapter summarises the key features deriving from those discussions and how they inform this study.

2.2: Competing Approaches to Strategic Change

The issue of organisational change has gained particular prominence within the field of organisation studies, reflecting the vitality of the ability of enterprises to adopt changes in the contemporary business environment. Since differing academic approaches to strategic change constitute the subject matter of the current chapter, first of all, it would be useful to define our term. Therefore, according to Whipp (2003, p.241), “managing strategic change refers to the management of changes which specific strategies give rise to and imply”. For example, a change in an organisation’s strategy may require further changes, namely changes in the work organisation. However, it is important to mention that, firstly, not all change activities

need to be radical and, secondly, that even during periods of major change, a sense of continuity could be maintained (Pettigrew and Whipp 1991; Wilson 1992). Thus, change can have many facets, therefore presenting managers with various challenges regarding its management (Whipp 2003).

Although, as mentioned above, organisational change, over the last two decades, has become one of the most researched and written about areas of organisational studies, its roots as a research discipline go back as far as the late 1940s – early 1950s. It was at this time that Kurt Lewin's (1947; 1951) force field analysis, one of the first and, as time has proved, very influential frameworks of organisational change was developed. According to Lewin (1947; 1951), the status quo in an organisation is a result of an equilibrium between various forces that drive change and forces that act against it. Therefore, for individuals to create the right climate for change, they have to identify which forces support the change and which ones restrain it. The identification of forces for and against change leads to a framework of action consisting of three phases. The first phase "unfreezing" involves the possible removal of restraining forces so that the organisation is put in the appropriate condition for change. The second phase involves the implementation of change in the organisation, while the last stage "refreezing" refers to the establishment of the new situation. The force field analysis by Lewin initiated a tradition in academic research on change according to which change is conceptualised as an activity that can be planned in advance and be implemented by individual managers.

Lewin's influence is evident on subsequent models of planned change such as the ones by Beckhard and Harris (1987), where change is conceived as a process consisting of three states i.e. present state, transition state and future state, and Dunphy and Stace (1988), where four different strategies for promoting and managing change are suggested depending on a background of contingency factors, i.e. time, support or resistance by key groups and organisation – environment. Additionally, prescriptive writings on the ability of individual leaders to effect organisational change and innovation, such as the work by Bennis and Nanus (1985) – although not directly influenced by Lewin – still function within an individualistic perspective (Slappendel 1996).

With work by writers such as Quinn the focus is slightly removed from individual agents in order to involve factors such as an organisation's operating environment, a concept already introduced in the work of contingency theorists such as Burns and Stalker (1961) and Lawrence and Lorsch (1967). According to Quinn (1980), organisational change is still a process that can be planned, but the planning and implementation should occur in small steps, following the collection, study and dissemination of information related to the organisation's environment. The importance of Quinn's logical incrementalism lies in the fact that he recognises the various limits inherent in the effort of an organisation to change and that he also introduces (albeit implicitly) the element of politics by stressing the need to build consensus over the content and implementation of strategic change (Pettigrew 1985). However, an element of rationalism is still evident in Quinn's model, as he thinks of incremental change as a planned outcome to be achieved through a series of specific activities.

The concept of change as mainly a result of the actions of perfectly knowledgeable actors has been challenged by writers who believe that it does not account for the influences of structural forces that reside outside the control of individuals and therefore they conceive organisational change as an emergent process. This particular view has been adopted by a number of writers, most notably by the population ecology writers such as Aldrich (1979; 1986). According to the population ecology models, organisations are viewed as members of a population with similar characteristics and the requirements of the operating environment of a particular population of firms will determine the survival or demise of certain firms (Hannan and Freeman 1989). Therefore, organisational change mainly results as a reaction to environmental pressures and as an attempt to secure a specific position in the population of organisations. Consequently, firms that operate in the same industry or sector tend to adopt similar strategies for change.

In addition to the population ecology theorists, a different category of writers who have examined change from a structural point of view, are the innovation scholars. In this case, the author refers to the framework developed by Zaltman et al. (1973) with regard to the effect of organisational structures on the various stages of the innovation process (Slappendel 1996). According to Zaltman et al. (1973), the stage of initiation

and more specifically the activities of gathering and processing of information require high complexity but low formalisation and low centralisation. However, low complexity, higher formalisation and higher centralisation are more likely to facilitate the implementation stage as they could reduce role conflict and ambiguity. Therefore, Zaltman et al. (1973) conclude that an organisation has to shift its structure in order to facilitate the various phases of the innovation process. At this point it is important to mention that this specific approach to strategy and change has maintained a strong position especially in the US, over the last two decades. This kind of research – conducted either from a population ecology view of the organisation (Hannan and Freeman 1984; Haveman 1993), or from a more general contingency approach (Zajac et al. 2000) – is linked to the use of surveys to identify certain relations between change and wider environmental forces (D'Aunno et al. 2000; Hannan and Freeman 1984), specific intrastructural characteristics (Haveman 1993), or a combination of both (Barker and Duhaime 1997; Zajac et al. 2000).

However, despite the fact that the above literatures turn our attention to the influence of structural elements on organisational change, they are certainly characterised by two main weaknesses (Pettigrew 1985). Firstly, just as the planned models of change do not recognise any structural influences on the management of change, the population ecology models do not attribute any particular role to individual agents, providing rather deterministic accounts on change. Secondly, in relation to the contingency theories of innovation, a weakness they share with the models of planned organisational change is the “highly rational and linear theories of process which drive these models” (Pettigrew 1985, p.16). Those limitations led to the development of an alternative view on change, which has become known as the processual school of thought and which constitutes the focus of the next part of the chapter.

2.3: Strategic Change as a Process

This part of the chapter includes a discussion on the development and the basic characteristics of what has come to be known as the “processual” or ‘contextual’ approach to organisational change (Pettigrew 1987). Additional reference will be made to research based on this kind of approach, showing how its basic principles have been applied to an empirical context.

Looking at the relevant literature, it can be said that the work of Clark (1972) on action research paved the way for some of the concepts which led towards a processual analysis of change. Action research in this context is conceived as related to efforts of planned change and is defined as an activity that involves three parties, i.e. “the sponsor, the behavioural science practitioner, and the scientific community. Action research aims to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration within a mutually acceptable ethical framework” (Clark 1972, pp.22-23). Although Clark (1972, p.147) focused explicitly on planned organisational change, conceiving it as a linear process consisting of several stages and sub-processes, he made three important points that differentiated his work from previously mentioned works on this area.

Firstly, he highlighted the importance of longitudinal research which was to improve our understanding on how change activities unfold over time. This was an important methodological development as until that time research would focus mainly on the present considering change as a single episode, rather than as a process played out over a significant period of time. However, it has to be mentioned that although Clark stresses the importance of doing research on change using qualitative designs, he still thinks of case studies as a means for preparing the ground for surveys testing several variables, e.g. crisis as a factor that facilitates action research.

Secondly, stressing the limitations of considering resistance to change as the main reason why action research activities had failed in the past, he calls attention to the context of an organisation within which a change activity is introduced so that the way of implementing the change is matched to the particular situation (Clark 1972, p.2). Although Clark’s idea of context has certain limitations, compared to later contextual analyses (e.g. Pettigrew 1985), it certainly constitutes a departure from earlier approaches which assumed that the introduction and implementation of certain changes were solely dependent on individual fortitude on the part of the managers and on conviction of other individuals without recognising explicitly the influence of the context on the final outcome.

Thirdly and finally, Clark makes the significant point that in order to understand the way in which certain action research is initiated and implemented, one has to look at the political processes involved, i.e. “the changes and alliances and the use of action research by particular coalitions, and taking account of changes in the internal boundaries of the enterprise” (Clark 1972, p.147). Therefore, Clark explicitly recognises that a political view of the organisation can be used beneficially to further our understanding of organisational change, an element that was not given analytical due from previous models on planned change, which were characterised by a unitary stance.

The above presented ideas by Clark were further refined and unified in a specific theoretical suggestion on how to research change by Pettigrew. A framework of contextual analysis on change was presented in Pettigrew’s (1985) work on strategic change in ICI, although elements of that framework were already evident in his earlier work on organisational decision making as a political process (1973) and in his work on organisational culture (1979).

With regard to strategic change, Pettigrew (1985, p.23) expressed his dissatisfaction with research which considered “the change project as the unit of analysis, and change itself either as a single event or a set of discrete episodes somehow separate from the immediate and more distant context which gave those events form, meaning, and substance”. Instead, there was a need for research on change characterised by a processual and contextual nature.

In relation to the former, Pettigrew (1987) remarks that an essential element of processual analysis is to regard organisations as social systems with a past, a present and a future. Therefore, research on change should incorporate a focus on the history of the organisation and its future and relate them to the present (Pettigrew 1987, p.656). With regard to the latter, he remarks that contextual analysis requires from a researcher the ability to connect analyses of higher level processes or events to lower level processes and he cites as an example the influence of the wider social and economic context on elements of intra organisational structure and on the interests of different organisational groups.

From the last point, it is obvious that the concept of the context is widened to include not only elements of the intra-organisational context and structure but also elements of the broader environment in which an enterprise operates. However, what is crucial here is that although context becomes a central part of the analysis, it is not regarded just as a constraining force, as it was the case with deterministic structural analyses. Context and structure equally facilitate and constrain the change process while it is also recognised that they are maintained or altered through action. According to Pettigrew (1985, p.37), of particular significance is the idea that actors can mobilise aspects of structure and context in order to achieve outcomes important to them. Therefore, in Pettigrew's view (1987) every attempt to formulate the content of change requires managing its context (as it is depicted above) and its process.

In addition, the suggestion to see organisations as political and cultural systems has an influence on analysing the process of strategic change. Therefore, managing change as well as its outcomes can be seen as a result of political activity, as different groups try to secure outcomes in line with their particular interests. As Pettigrew (1985) remarks, such activity may take place particularly during the early discussions on deciding to promote change – as such a decision might threaten the status of certain groups and be seen as an opportunity by others to gain in prominence within the organisation – and it definitely is influenced, as it was implied above, by certain changes in the macro-environment of the firm. Within this political process, a key concept is that of legitimacy of certain ideas relevant to change. Legitimacy is directly connected to an activity that is defined by Pettigrew (1979, p.572) as “the management of meaning” and it involves the construction and establishment of language, symbols, myth, so that purpose and commitment around ideas that support change can be generated while ideas that act against it can be delegitimised.

From the above, it becomes obvious that the focus on the interplay between context/structure and process, an awareness of the political aspects of the organisational life and the equal attention on the role that cultural elements can play in relation to change, make processual analysis a far more sophisticated theory of change in comparison to previous attempts and models, and for that reason a more attractive one to be used in an empirical context. Additionally, theoretical maturity is matched with the important methodological suggestion that qualitative methods and designs

are indeed an effective way to research change. As Pettigrew mentions, longitudinal case studies are necessary in order to develop a contextual analysis of change and qualitative methods such as interviews and observation help to clarify how the process of change is played out through time, while the use of questionnaires even within a longitudinal fashion cannot achieve such a result (Pettigrew 1985, p.11).

On an empirical level, it is worth mentioning briefly that Pettigrew (1985) draws the conclusion that although periods of radical change are precipitated by crisis conditions, important for the content of those changes are the antecedent factors inherent in the period that preceded the crisis. One of the most significant processes that characterise the precrisis period is challenging of dominating ideology – rooted in earlier contexts – within the organisation and creating the appropriate climate for the change to occur later on, thus suggesting that “the development of strategic change in the firm takes on the character of a political learning process”, (Pettigrew 1987, p.666).

The above presented framework by Pettigrew has informed subsequent research on strategic change, as can be seen in the works of Johnson (1987) and Pettigrew and Whipp (1991). With reference to Johnson’s research on Foster Brothers, a UK clothing retailer, many of Pettigrew’s findings from the ICI case were in a sense replicated, although theoretically further suggestions were made.

Therefore, Johnson (1987) stresses the fact that long term adherence to the core – and taken for granted – set of beliefs and assumptions that managers hold in relation to their organisation, (what Johnson calls a “paradigm”, noting that is supported by cultural artefacts such as symbols, myths and rituals) will lead to strategic drift, i.e. the fact that gradually the strategy will not be in synch with the organisation’s environment, something that is mostly felt when major performance problems surface. This situation, which is very reminiscent of Pettigrew’s crisis conditions, will require major changes in strategy to take place.

Central to an organisation’s preparation for change is the process of challenging specific aspects of the paradigm, which again is perceived as a highly political process, as such a challenge is also likely to be “interpreted as threatening by the

political elites in the organisation” (Johnson 1987, p.272). Forming political alliances that will favour the potential for change and “legitimising” fresh ideas – possibly provided by outsiders, i.e. newcomers that do not identify with the current paradigm – through symbolic support, i.e. language or rituals, constitutes an integral part in creating a context for change. Similarly, the management of such a process requires a careful reading and deep understanding of the organisational pre-history, i.e. as Pettigrew notes the antecedent factors that nurtured the dominating paradigm.

Additionally, Johnson (1987) observes that building up a momentum for change will also depend on the extent to which the organisation is characterised by a strongly homogeneous or heterogeneous set of beliefs. In relation to this point he contends that while the creation of bonding values and beliefs, supported by an appropriate culture is highly desirable – so that strategy can be meaningful to organisational members in terms of their day to day activities – it is also necessary that the organisation maintains a creative tension, especially when it comes to the issue of operating the business. Therefore managers “must be ready to accept that, maybe, there are new ways of doing things and the views that they hold may need to be changed and change frequently” (Johnson 1987, p.284).

Finally, Johnson (1987) concludes by referring to the five different facets of strategic management or modes as he describes them, i.e. the adaptive, political, cognitive, symbolic and planning modes. He argues that efforts towards incrementalism (adaptive), as well as rational views on strategy (planning) can only work if they are placed within a more general context of strategic change which recognises the significance of managing the political processes within the organisation (political), the need to understand the nature of core values and beliefs (cognitive) and the role that symbols can play in legitimising certain ideas and building up a momentum for change (symbolic).

The research by Pettigrew and Whipp (1991) on the contribution of the management of strategic change to competitive performance, also employs a contextual analysis, adding further insight on the debate on the process of strategic change. The novel element here is the treatment of both strategic change and competition as continuous processes within a context that incorporates wider sectoral and national/international

structures apart from the particular characteristics of the firms in research and their competition. The two scholars support the idea that the ability of an organisation to identify the competitive forces in a constantly changing competitive environment, and the capacity to manage the changes that the chosen competitive response implies, can influence significantly the performance of the enterprise. Consequently, and given the numerous opportunities for inertia or collapse of such a process, it is stressed that the management of strategic change “implies streams of activities across time”, and even then the direct outcome of such processes cannot be predicted in a linear fashion (Pettigrew and Whipp 1991, p.276).

The main findings from the research, which was conducted in a longitudinal fashion regarding companies operating in four different sectors, i.e. auto industry, merchant banking, life assurance and book publishing, were related to the importance of five factors related to the management of strategic and operational change, and the difference they made to the performance of the firms concerned. The first one of these factors, environmental assessment, is related to the ability of organisations to become open learning systems, to acquire, process and assimilate information on the environment at various levels, something that is crucial for the emergence and formulation of a specific strategy (Pettigrew and Whipp 1991, p.280).

Another significant aspect of strategic change is related to the ability to lead change. However, leadership is viewed within the inner and outer context of the firm that influence the “zones of manoeuvre” (meaning opportunities for individual action) through which the leader makes decisions on the content and the way of implementing change. Additionally, the assumption that the process of strategic change requires a single leader, in order for it to be carried out, is challenged as it is suggested that the process requires more than a single leader over time and that collective leadership at the senior level with complementary leadership at lower levels may be important in specific situations.

The third key factor is related to the importance of linking strategic and operational change. The significant point here is that the implementation of a strategy may lead to the transformation of the original strategic intentions, as those are examined under a new light provided by the implementation activity. The last two factors are related to

the awareness of the benefits that Human Resource Management can provide in relation to the process of change and the necessity of coherence in the management of change. This last point refers to the ability to “hold the business together as a totality while simultaneously changing it, often over lengthy periods of time”. This idea is very reminiscent of the significance attributed to the coexistence of continuity and change (Pettigrew and Whipp 1991, p.283). Again, a political angle is maintained as it is suggested that each one of the above factors is built upon a combination of primary conditioning elements – that relate to the broad concept of creating a climate for change – and secondary mechanisms – that relate to the concept of taking action to implement the change. Therefore, as a conclusion it is suggested that the management of change calls for a constant focus – on the part of managers – on its analytical, educational and political aspects.

Additionally, a contextual analysis with a focus on the sector and the national structures has been employed by Clark in his work on innovation-design (Clark and Starkey 1988) and on his more recent study of competition between national contexts (Clark 2000). Both works are also characterised by the incorporation of the dialectic between structure and process and by a reference to the zones of manoeuvre (Clark 2000) as influenced by the organisation’s pre-history. Also the understanding of the external context and environment as discontinuous and turbulent is another shared feature with the aforementioned studies on strategic change. However, what probably distinguishes Clark and Starkey’s work (1988) is the focus on the “strategic loci for shifting an enterprise onto a new trajectory” (Clark and Starkey 1988, p.193). According to the authors, two loci are identified as able to move an organisation into a new direction, the first being change of the corporate portfolio of productive units (through a number of ways including mergers or acquisitions, exchanges and sales of certain units with other firms), and the second being the innovation design capability that provides the chance to introduce changes in the repertoire of action of an enterprise.

Finally, it is important to stress that although the above mentioned works concern theoretical developments in the UK, similar steps towards a processual analysis of change have also been taken in the US, with a characteristic example being the work of Greenwood and Hinings (1993; 1996). Examining institutional change in

particular, Greenwood and Hinings (1993) employ the notion of archetypes. An archetype is defined as “a set of structures and systems consistently reflexive of a single, underpinning interpretive scheme” (Greenwood and Hinings 1993, p.1057). However, a certain distinction is drawn between on the one hand the existence of an interpretive scheme, i.e. the values and beliefs that archetypes embody, and on the other hand the extent to which organisational actors are committed to those values and beliefs, stressing that “the pattern of commitment to one or more interpretive schemes is a potential dynamic of change” (Greenwood and Hinings 1993, p.1057).

Therefore, having established the idea of archetypes as a reference point to classify the degree of change and also commitment to interpretive schemes as a factor that can account for both change and inertia, Greenwood and Hinings (1993) stress the importance of taking into serious consideration firstly the institutional context and the way it influences organisations in the adoption of specific strategic recipes, and secondly the temporal context. This point is linked not only to the methodological issue of undertaking research of a longitudinal nature but also to the significance of paying attention to the current trends within the institutional environment that might favour the commitment to a specific institutional archetype or the adoption of an alternative one. Additionally, attention to the temporal context is to be coupled with a parallel focus on organisational history, if the degree of change and the extent to which it signifies a radical departure from interpretive schemes is to be fully understood.

Those ideas are further developed as the authors suggest that a clear understanding of the dynamics of strategic change requires analysis sensitive to the interplay between institutional context and intra-organisational dynamics (Greenwood and Hinings 1996). An attention to the former can reveal the contextual pressures that precipitate the need for organisational adaptation, but a parallel focus on the internal organisational dynamics will clarify “why some organisations adopt radical change whereas others do not, despite experiencing the same institutional pressures” (Greenwood and Hinings 1993, p.1023).

From the above it becomes obvious that Greenwood and Hinings follow an analytical path that bears many similarities to the work of the aforementioned scholars on

strategic change. In addition, from a methodological point of view, it is important to mention that although Greenwood and Hinings have used a combination of quantitative and qualitative methods in past research – mainly in order to identify the existence of archetypes in an institutional sector – they explicitly recognise the necessity of conducting qualitative longitudinal case studies if one wishes to provide explanations related to the dynamics of change as a process. This is something that cannot be achieved by large scale surveys that can only pinpoint to the changes that have taken place without explaining further the processes through which certain results have occurred (Greenwood and Hinings 1993, p.1047).

Although at the time the theoretical underpinnings of the process approach on strategy and change were outlined, there were not many empirical studies of that nature, over the years processual research has become influential in analysing change. However, one must also recognise the parallel emergence – at least since the mid nineties – of an approach that comes to complement process research and which focuses rather on the micro-level activities that constitute strategy, i.e. it views strategy as practice (Whittington 1996). This relatively newly emergent approach constitutes the focus of the next part of this chapter.

2.4: The Activity-Based View of Strategy

As mentioned above, the stream of the literature that focuses on the micro-activities that reside within the broad concept of strategy, draws from the processual approach and in a sense builds on it. Actually, some of the scholars that have recently argued for the need for research on the micro-level of strategy, have previously been active in process research, e.g. Johnson, as seen above. However, while process research focuses on the processes through which an organisation realises the need for strategic change and the processes through which such a goal is finally achieved – with the attention given to the fate of the organisation as a whole – the “strategy as practice” approach focuses on the work of “strategising”, i.e. “how managers do strategy” and consequently attention is given to the performance of strategists (Whittington 1996, pp.732, 734). There are a number of reasons for the need to explore these micro level activities linked to strategy, as demonstrated below.

It has been recognised that processual research and analysis have helped us develop an understanding of strategy as a process linked to the organisational dynamics, mainly the factor of politics, and not as a distant macro-phenomenon. In that sense, according to Johnson et al. (2003, p.10), process research “has irrevocably opened up the black box of the organisation”. An additional benefit derived from process research is the contribution to a social theory of action with regard to strategy, something that is accomplished by the focus on the dialectic between structure/context and agency providing us with a dynamic view of both action and structure unlike the static depiction of both in surveys which try to find relationships between certain agential or structural characteristics and performance. This last point is also linked to the fact that yet another contribution of process research, as also shown above, is the legitimisation of longitudinal qualitative case studies as an appropriate design to research processes of strategy and change, and as a necessary condition so that the above mentioned dialectic between structure and agency through time can be examined effectively. With regard to this, it can also be said that the intensive use of in-depth case studies from process researchers, paves the way methodologically for the study of strategy at a micro-level.

However, despite the significant contributions of processual research, there is still some way to go inside “the black box of the organisation” as far as the activity-based view researchers are concerned. Therefore, although processual research has set an objective to link events and processes of different levels – and from the angle of the interplay between process and context it has succeeded in doing that – the impression is that the main focus on decision making and change regards those two elements as a whole, without going further to examine specifically through what activities and tools they are accomplished (Johnson et al. 2003). Additionally, although knowledge of the political aspects of the processes of decision making and strategic change is useful to practitioners of strategy, process research does not provide them with detailed knowledge on how to run specific strategic activities that constitute their everyday work more effectively. Finally, in certain processual studies there seems to be a divide between process and content, in the sense that content is only generally defined and considered to be an “inherent and indissoluble part of ongoing processes” (Johnson et al. 2003, p.12).

Responding to those challenges, the activity-based view of strategy sets as an objective the focus on “the detailed processes and practices which constitute the day to day activities of organisation life and which relate to strategic outcomes” (Johnson et al. 2003, p.14). Therefore, drawing from practice theory the activity-based view on strategy points to the need to take into account not only the large and extraordinary but also the more “mundane” aspects of everyday organisational life (Molloy and Whittington 2003). Also, considering the process of strategising as a socially developed field of practice (with its own concepts, tools and generated understandings on which practitioners draw to accomplish their work), the activity-based view looks exactly into those micro and sometimes routine activities in order to obtain a better view of how strategists strategise. Within this context, and again borrowing from practice theory, equal attention is given to the individual and often tacit skills that the practitioners of strategy acquire through time and that allow them to improvise when dealing with the tools and micro activities, therefore being more effective in the work of strategy (Molloy and Whittington 2003; Whittington 1996). Moreover, it is stressed that the various practitioners of strategy, i.e. consultants, planners and top managers, do not hold the same skills – something that makes far more important the need to examine how they acquire and use those different sets of skills (Whittington 1996).

The research agenda, in which the above framework could be utilised empirically, is broad enough to include many different topics in the strategy literature, e.g. issues of product development, acquisition integration or the management of multinational corporations, while also covering aspects of institutional theory and the resource-based view of the firm (Johnson et al. 2003). Therefore, micro explanations would account for macro phenomena, placing an emphasis mainly on the effectiveness of the micro activities, practices and tools – used by strategists and also by those on the periphery of organisational management – rather than macro organisational performance per se (Whittington 1996). However, in spite of the focus on the micro level an emphasis on the wider social context is maintained with a further objective being that micro level studies should in some ways be linked to more general outcomes (Johnson et al. 2003).

Examples of work based on the principles of the activity-based view include those by Johnson et al. (2000), Molloy and Whittington (2003) and Salvato (2003). With

regard to the former, some of the basic concepts of the above presented framework were combined with concepts from institutional theory – mainly the concept of scripts (Barley and Tolbert 1997) – to further our understanding of institutional change under privatisation. However, although Johnson et al. develop useful theoretical suggestions, their implications are not explored empirically. The starting point for Johnson et al. (2000) is that within institutional theory there has been much effort invested into research to account for the influence of institutional norms and rules on individuals, i.e. how individuals are captured within certain institutional templates, and consequently far less focus has been put on the way in which individuals influence those very same templates, regarding their creation, reproduction or change.

Therefore, Johnson et al. (2000, p.572) set as an objective to stress the micro processes involved on the macro level institutional change, “exploring the interactive effects of actors’ behavioural scripts and institutional templates”. The concept of scripts as it is defined by Barley and Tolbert (1997, p.98) refers to “observable, recurrent activities and patterns of interaction characteristic of a particular setting”. Barley and Tolbert (1997) use this particular concept in order to account for the interplay between action and institution, as they suggest that specific norms and rules are encoded in behavioural scripts, which are enacted in certain situations. Through time, scripts are revised and replicated in the actions of the individuals, while later they become objectified and externalised and constitute new institutional norms giving rise to yet another cycle of enactment.

Johnson et al. (2000) aim to develop further the implications of Barley and Tolbert’s model by specifying the conditions and the processes which account for the interplay among scripts, behaviour and institutional templates within the context of privatisation. Therefore, taking into account the role of public managers in the process of privatisation, it is suggested that they have to deal with the deinstitutionalisation of public sector templates and with the institutionalisation of private sector ones. Defining experimentation as a process of conscious script processing which can possibly lead to the endorsement of new scripts, Johnson et al. (2000) suggest that this process will depend on contingencies as the privatisation’s context in terms of resources, power and influence, on the extent to which the actors are involved in the privatisation process, and on the nature of reciprocal behaviour and symbolic

reinforcement. Finally, it is suggested that the process of deinstitutionalisation of public sector templates and institutionalisation of private sector templates will consist of five stages, and that there will be a variation in the pace of adoption of rules and norms of the private sector template.

Molloy and Whittington (2003) draw upon the previously mentioned points from practice theory – namely a focus on the minute and the routine of organisational life, on activity as a field of practice, and on the improvisational skills of actors – in order to examine empirically what resides within the process of organising. The two scholars develop further those initial three points, as they draw a distinction between practices, i.e. “the social traditions, rules norms that guide and inform activity”, and praxis, i.e. “the actual events that make up practical activity” (Molloy and Whittington 2003, p.4).

Therefore, in this case praxis constitutes the work of organising (various activities as meeting, talking, researching) while practices are the conceptual, analytical or rhetorical tools that the practitioners of organising – senior, middle managers, internal and external consultants – use in order to accomplish their work. According to Molloy and Whittington (2003), praxis resides inside the process of organising as it concerns the detailed work the practitioners do in order to make things happen, while practices reside outside the process, as they constitute routines, concepts and tools available within the socially developed field of organising, and for this they are common across organisations, as was previously noted.

The key notion here is that practices do not *determine* praxis, but it is the skilful work and improvisation of the practitioners – applying those practices in unique contexts – that provides the link between what is inside and outside the process of organising. Finally, the two authors, using several case studies concerned with specific reorganisation projects and initiatives, show empirically how the various practitioners improvise using certain ideas, tools, techniques and technologies, which reside outside the immediate process of organising, often outside the organisation itself – technologies such as Powerpoint, models such as Peter Senge’s or McKinsey’s 7S – within the unique context that the process of reorganising creates. Consequently, the conclusion which derives from their research is that “praxis, then, is typically reliant

upon practices that are standardised in their origins but which, for effectiveness in the instant, must be deployed selectively and adaptively” (Molloy and Whittington 2003, p.23).

A similar theme, i.e. the adaptation and recombination of key resources with new ones aiming at the strategic evolution of the firm, is shared by Salvato (2003). Defining a core micro-strategy as an “established system of interconnected routines, micro activities and resources that can be traced through most of a company’s strategic initiatives” (p.83) the author argues that a company’s micro strategy is fundamental to its strategic evolution. His research based on two case studies of Italian companies successfully adapting to the times, stresses the direct role that managerial leadership plays in purposefully guiding evolutionary processes and it concludes that innovation and strategic adaptation are rooted to a greater extent in core micro-strategies – which are reconfigured and recombined with new elements (external or internal) – rather than in radical variation.

Once the basic aspects of the activity based view on strategy have been presented, together with examples of the theoretical as well as the empirical contribution of that literature, it is important to mention that the present piece of research shares many of the elements that formulate the above framework. Therefore, the research attempts to focus on micro-level activities that can be crucial for the macro-performance of an organisation, stressing at the same time the role that the improvisational skills of actors can play in their deployment of concepts and ideas that constitute the basic repertoire in the actor’s specific field of practice. Indeed, if one was to draw criticism on the above framework that would be that focusing solely on the micro-activities and practices of managers and strategists, it is not enough to tell us everything we need to know about the outcomes of organisational change. Therefore the next section briefly discusses a similar perspective which is based on a processual ontology on change. As we will see, its main contribution is that focuses explicitly on human agency as it is played out through the practices and improvisational skills of all practitioners in general (and not only those in managerial positions) it advocates that micro-level change is what is happening in organisations on a continuous basis and therefore ontological priority has to be given to the former rather than the latter.

2.5: Change as a Continuous Process

The previous section dealt with the recently emerged activity-based view on strategy and change which has set out to develop a closer understanding of micro-level activities of organising and strategising that might account for macro-organisational outcomes. However, as noted before, it is important to underline the parallel emergence of an approach that seeks to uncover the micro-processes of change, by adopting an *ontologically* processual perspective.

An example of this approach is provided by the work of Tsoukas and Chia (2002). The starting point for the two authors (in a fashion similar to the micro-strategy writers) is that synoptic accounts of change with their utilisation of stage models (an example would be the already described model by Lewin) do not say much about “the open-ended micro-processes that underlay the trajectories described” (p.570). That, according to the authors, can be achieved if one adopts a performative or “process-oriented” view of change. Thus, much like organisational routines are “performed” by agents (something that leads to them being changed over a period of time) (Feldman 2000), so do change programmes as they require constant adaptation within open ended contexts of situated activity. To account more effectively for the dynamic nature of change, it is necessary to adopt an ontology that places priority on change itself rather than on the organisation. Therefore to the extent that change is ongoing and is accomplished through human action, organisation is an emergent property of change and not vice versa. Drawing on process philosophers (Bergson 1946) and ethnomethodologists (Boden 1994), Tsoukas and Chia (2002) conclude that organisation ought to be seen as a socially defined set of rules providing a relative degree of stability and also as an outcome of the reflective application of those very same rules in local contexts over time. They also provide a number of examples to show that indeed adaptation and improvisation in the use of rules and routines is endemic in organisational life as practitioners are engaging in a broad range of activities where results cannot be anticipated.

However, despite the importance of paying attention to the evolving character of human action and its role in organisational change, there is still a problem with the conception of organisation as an “interactionally achieved context of decision-making” (Boden 1994, p.1): the fact that social structure is not given any analytical

importance in understanding change. The potential influence of structure becomes more obvious when Tsoukas and Chia (2002) stress that in spite of the ongoing change in organisations (as a result of continuous improvisation on the part of agents), in several cases adaptation of rules and local initiatives may go unnoticed and not become institutionalised. The answer of why this might be the case, could be given by conceptualising structure in a way that gives it analytical substance. As Fairclough (2005, p. 929) notes commenting on Tsoukas and Chia “it is not just a matter of organisations sometimes failing to change when there are good reasons for arguing that they need to. One can argue that it is a property of organisational structures – and not merely a fault – that they can remain relatively stable despite the change and variation which organisational processes produce”. This might be the case, especially if structures are understood as reproducing power relations between different groups of agents (Fairclough, 2005).

Thus, despite the fact that a process-oriented ontology (heavily influenced by ethnomethodology) as outlined by Tsoukas and Chia (2002) can reveal in detail the “micro-processes of change at work” (p. 568), the view taken in this study is that a more complete understanding can be achieved when structure/context and agency/process are kept analytically separated so that their interaction can be studied more effectively. This is a key characteristic of a critical realist ontology which informs this research and it will be discussed in further detail in Chapter Four.

Such an approach has been implicitly adopted by Pettigrew in his previously described work (i.e. Pettigrew 1985, Pettigrew and Whipp 1991) and it is also evident in the research agenda on change outlined by Pettigrew et al. in 2001. In those examples, agency maintains its dynamic character but this is accompanied by a more grounded conception of context. Thus, Pettigrew et al. not only pay attention to multiple levels of context (organisational, sectoral, national) but they implicitly understand that although structure/context is socially created, it also has an independence to the extent that it can pose certain limitation to agency. Therefore the concept that structure can shape the process and in turn is shaped by it, becomes more meaningful in comparison to approaches in which context/structure only has an influence when it is instantiated in the form of rules by agents.

In summary, this research takes into consideration the micro-processes of knowledge sharing among people at the lower level of hierarchy, apart from the practices of those in managerial positions, to understand how change objectives are achieved at the operational level. Thus, in that respect it shares partially Tsoukas and Chia's (2002) focus. However, a significant difference is that it does so, by adopting a critical realist ontology which clearly focuses on the context within which those processes occur.

Before closing this chapter, it could be useful to consider briefly the literatures on resistance to change and on mergers and acquisitions. From the discussion so far it is evident that a lot of the literature on organisational change, regardless the perspective adopted, is focusing on the activities of managers. A look at the issue of resistance can help us see the extent to which the relevant literature addresses issues of conflicting interests and politics when discussing the ways in which employees experience change processes. Also, in the introduction of this thesis, it was argued that studying the emergence of communities of practice in a grounded context has been facilitated through situating this process in the context of change, in this case a merger. Although this research's focus is not on mergers and acquisitions per se, it is thought that before closing this chapter, there could be a brief mention of relevant literature in relation to knowledge sharing processes.

2.6: Resistance to Change

A lot of writing on organisational change has been concentrating on the challenges this process presents for managers. As discussed earlier, there have been different approaches for understanding change and its management, some more sophisticated than others. For example, we previously mentioned the fact that the processual/contextual school of thought (as outlined in section 2.3) has incorporated an explicit focus on the relations between structure and agency and on the influence of organisational politics on the way the process unfolds. However, even those writers tended to focus almost exclusively on political conflicts at the apex of organisational pyramids, i.e. among senior managerial groups. Given the interest of this study on micro-politics at the lower levels of hierarchy, it is perhaps useful to briefly consider how literature that focuses on the issue of resistance to change could help us understand better those processes.

A first observation that has to be made is that to a great extent discussions revolved around issues of resistance tend to maintain a view that is “management centric”. This is not surprising given the fact that a significant amount on resistance has been written from a perspective of planned organisational change (outlined in section 2.2). Thus, from the early stages of this approach (Lewin 1951) usually the focus has been on identifying sources of resistance either of individual (Eccles 1994, Dirks et al. 1996, Eilam and Shamir 2005) or organisational origin (for example Cameron and Quinn 1999) and on outlining specific courses of action to deal with those pressures against change (Kotter and Schlesinger 1979, Dunphy and Stace 1988, Geller 2002). In summary, the picture obtained by this kind of literature is of resistance as a natural reaction to attempts to bring specific changes but that it can usually be overcome given that the right “strategies” or “management styles” are followed.

A similar view of resistance is also implicit in Carnall’s (1990) famous model on how individuals cope with change. In particular Carnall suggests that people usually go through a five stages cycle when coping with change (denial, defence, discarding, adaptation, internalisation) and therefore resistance (here in the form of defence) is considered to be a behaviour that individuals unavoidably adopt to protect themselves from the threatening nature of change but which gradually (as time passes by and with the management support) gives place to the acceptance of the new situation. The idea that resistance to change should be expected to decrease with time and as a result of management initiatives such as change communication is also evident in recent research, for example the study by Stanley et al. (2005) focusing on resistance to change as resulting from employee cynicism.

In contrast to those largely functionalist approaches, critical management writers such as Collinson (2000) and Knights and McCabe (2000) have approached the issue of resistance from a different angle. For those writers resistance is regarded as a response to managerial control and therefore it is endemic in organisational life. As Collinson (2000, p.180) puts it “employees resist despite their subordinate and insecure organisational condition and despite their never having full information or knowledge of future consequences”. This is the case because managerial control is not as all pervasive and rational as appears to be (and as it is implicitly assumed by writers on planned organisational change). No matter how effective means of control are, they

are not exhaustive of employee subjectivity which can be defined as “the way in which individuals interpret and understand their circumstances and is bound up with the sense they have of themselves (identity)” (Knights and McCabe 2000, pp. 421, 423).

This focus on the notion of subjectivity means that management is not able to predict or anticipate specific forms of resistance on the part of the employees so that they could address those in a strategic way. According to Collinson (2000), employee resistance relied to a great extent to the utilisation of specific knowledge (of various forms, technical, social, economic and others) that can be used as a weapon in the relation to management. However, the way in which those types of knowledge might be used is dependent on the subjective orientations of employees and their understanding of specific power relations (Collinson 2000, p.181). Consequently, there will be a diversity in the workforce’s response to managerial control across contexts, something that reinforces the indeterminate nature of employee resistance.

However, another key element of those discussions is that since employee subjectivities are not fixed but shifting and inconsistent, in many cases resistance should not be viewed as an always conscious effort of employees to respond to the inequalities of the employment relationship. This is why Collinson (2000) as well as Knights and McCabe (2000) underlines the fact that resistance and consent are mutually constituting and in many cases co-exist.

With regard to this study, although the data (as it will be seen particularly in Chapter Six) do not make a case for focusing explicitly on the issue of resistance, the author is of the opinion that the notion of subjectivity and in particular the idea that employees are able to retain a degree of “discretionary autonomy” (Knights and McCabe 2000, p.422) is useful in understanding how micro-politics might influence the way knowledge sharing has unfolded in the context of the merger. More specifically, given the use of the community of practice concept, it will be shown how specific understandings of *practice* might be favoured by employees as a means of maintaining a sense of control over their jobs in times of change and how a diversity in the meaning of practice could impact on the extent knowledge is shared at the micro-level. However, efforts to achieve a sense of control should not be understood

attempts to undertake that task hoping that will facilitate a more critical approach on the development of informal knowledge sharing at the intra-organisational level.

2.8: Concluding Remarks

This chapter has overviewed different approaches of understanding strategic change. In doing so, the main objective was to provide a general outline of the development of the literature and to distil out key features of relevance to this study. Thus, the chapter began with a discussion on approaches that have viewed change as the result of either individual agency or structural influences. Following the contrast between the individualist and the structuralist approaches, the chapter focused on a processual perspective which has paid attention to the interplay between structure and agency while also taking into consideration the contexts (organisational, sectoral, national) within which the change process unfolds. The recently emerged approach of the activity-based view of strategy – which has adopted a focus on the micro-activities that constitute the process of organising – was also examined. Approaches that ontologically place priority on change rather than organisation were discussed as well in terms of their strengths and limitations. Finally, the chapter briefly discussed the literatures on resistance to change and mergers and acquisitions.

The conclusion to be drawn from those discussions is that a more complete understanding of change processes can be reached if proper consideration is given to both the role of individual action and structure. Accordingly, a focus on the constraining as well as the enabling aspects of the context, in combination with an appreciation of the role of politics, can provide us with a more detailed picture of the way the change process is played out and in particular how agents might try to mobilise specific contextual elements to secure outcomes in line with their interests. Also, a view of strategy as practice and an emphasis on how managers strategise can contribute to deeper explorations of how certain outcomes emerge from change processes.

All the aforementioned features, deriving from the reviewed literatures, have informed this study which mainly focuses on the implementation of the integration project following the acquisition of “O’Hagan” by “Brewers Limited”. Thus, in this

case an emphasis on the context within which changes deriving from the project are implemented is necessary, and from this point of view it is also important to think of the relation between structure and agency. Also, since the case concerns two different organisations coming together, it is important to pay attention to the existence of conflicting interests to gain a better understanding of the dynamics of the implementation process.

Nevertheless, the author is of the opinion that a focus solely on the micro-level activities of managers can only provide a partial picture of outcomes of the integration project (in terms of how certain objectives might be achieved). A clearer picture of those issues can be obtained when taking into account the practices of employees and their informal interactions aimed at knowledge sharing. However, the task of focusing on informal learning and on the improvisational ability of non-managerial practitioners is informed by a critical realist ontology that seeks to understand how those micro-level processes might be informed by specific elements of macro socio-economic contexts. This is a central difference in comparison to approaches such as the work by Tsoukas and Chia (2002) that are informed by ethnomethodology, thus discounting the role of structure/context when discussing the role of agency in micro-processual change. Having stressed the importance of paying attention to processes of knowing as occurring in the lower levels of organisational hierarchy, the focus of the next chapter is on the literatures on knowledge management and communities of practice.

CHAPTER 3: KNOWLEDGE MANAGEMENT AND COMMUNITIES OF PRACTICE

3.1: Introduction

The previous chapter examined the trajectory of development of literature on organisational change, which was dominated early on by relatively normative approaches underlining only the role of the individual or the role of structures, while gradually a new, processual, approach was coming into prominence, considering the interplay between structure and agency. Specific reference was made in relation to the recent approaches focusing on micro level practices that inform the process of strategy and change and take into account not only senior level actors but those located at the periphery of organisational life.

This last point takes us to the current chapter which examines in a similar way relevant literatures on knowledge management and organisational learning, starting from approaches underlined by an epistemology of possession (Cook and Brown 1999), stressing the need for knowledge codification and gradually examining more dynamic approaches that set as an objective to examine issues related to the process of learning and knowledge creation. This discussion will in turn provide a link to further advances characterised by an epistemology of action, stressing the relation between knowledge and knowing. This last approach is empirically employed in the idea of learning in communities of practice, and therefore the current chapter will close with a look at the key contributions of that literature, taking into consideration recent changes and critiques and suggesting possible advancements.

3.2: Normative Approaches to Knowledge and Learning

Although the main focus of this chapter is on the various literatures on knowledge management and the communities of practice, it is appropriate to stress at this point that these literatures share common elements with research whose focus is the notion of organisational learning (Easterby-Smith et al. 2000).

However, in spite of the similarities, it is true that organisational learning has been on the research agenda of various disciplines from psychology to production and

strategic management, since the 1960s, while knowledge management has been particularly popular only from the mid 1990s and onwards (Easterby-Smith et al. 2000; Swan and Scarbrough 2001). Additionally, as Easterby-Smith et al. (2000, p.790) remark, research in organisational learning is usually undertaken by scholars with a human resources orientation and with the focus being on the social elements that can facilitate or impede learning and change in organisations, while on the other hand research in knowledge management “is still led by technologists and employs the language of economics”. This is a fair point, especially if one takes into account that the rise of knowledge management into prominence “has been based on the view of knowledge as an economic resource...an objective, portable and manageable commodity” (Swan and Scarbrough 2001, pp.914-915).

Consequently, within the context of what has been characterised as the “cognitive model” of knowledge management (Kakabadse et al. 2003), the concept of knowledge as objective truth dominates, and therefore the main focus of this approach is placed on explicit knowledge, i.e. knowledge that is capable of being clearly stated (Polanyi 1958) and therefore easily captured, codified and retrieved (Kakabadse et al. 2003; Swan and Scarbrough 2001). All the above characteristics are perfectly illustrated in the definition that O’Dell and Jackson (1998, p.4, cited in Kakabadse et al. 2003, p.79) give of knowledge management as “a conscious strategy of getting the right knowledge to the right people at the right time, and helping people share and put information into action in ways that strive to improve organisational performance”. Therefore, it is not surprising that research from the perspective of the “cognitive model” stresses the central role that IT – in the form of databases, group-ware and Web based systems – plays in the utilisation of what is considered to be relevant knowledge for problem solving and securing a competitive advantage (Kakabadse (Kakabadse et al. 2003; Newell et al. 2002).

However, in spite of the observation that the popularity of knowledge management as a term and a field of research is linked with the notion of knowledge as an asset that needs to be managed, it is important to mention that a similar focus on knowledge accumulation and standardisation has been shared by scholars active in the area of organisational learning, their writings preceding the functionalistic views of the knowledge management researchers and gurus. According to Dodgson (1993, p.382),

“there are a number of approaches within the management/innovation/economics literatures, which refer to the centrality of identifiable and cohesive bodies of, often technologically related, knowledge and behaviour”. The approaches to which Dodgson (1993) is referring pay particular attention to collective learning and as a consequence of this agenda, certain concepts have emerged – describing the activities through which organisations can learn in toto – with some of the more influential ones being “knowledge base” (Metcalf and Gibbons 1989), “firm specific competencies” (Pavitt 1991), and “routines” (Nelson and Winter 1982).

What links these three concepts is the notion that knowledge accumulation (knowledge base) and standardisation (in the form of routines) are the elements that define the uniqueness of an organisation allowing it to build on its core competencies to be able to compete successfully. It is the insistence of those works in the utilisation of knowledge that made Dodgson (1993) remark that research on learning conducted within the context of the above mentioned disciplines focuses to a great extent on the goals and outcomes of learning, without exploring the processes through which learning occurs and their subsequent problems.

One of the first scholars to deal to some extent with the process of learning was Chris Argyris, who undertook research mainly from the perspective of organisational development. Argyris’ work was influential as he developed the idea that different degrees of learning exist, and he was also one of the first to explore factors that inhibit or facilitate learning. Therefore, undertaking research related to the decision making process in organisations, Argyris (1976) observed that two kinds of learning exist, i.e. single loop learning and double loop learning, with the former requiring organisational members to fix and solve problems within the existing organisational context, and the latter requiring a more critical stance towards the “dominant paradigm” within the organisation. As Argyris, (1976, p.367) put it “One might say that participants in organisations are encouraged to learn to perform as long as the learning does not question the fundamental design, goals and activities of their organisations. This learning may be called single loop learning. In double loop learning, a participant would be able to ask questions about changing fundamental aspects of the organisation”.

Although Argyris pointed out the need for organisations to embark on double loop learning, his observations based on his research were that single loop learning was the norm. That was the case because the main assumption behind the single loop “model” is that senior decision makers have to exert unilateral control over their subordinates. This particular strategy was seen as creating feelings of defensiveness on the part of the leader while also the same reaction would emerge as a reply from individuals and groups within the organisation, something that would result in invalid feedback on the decisions of the leaders.

Under those circumstances, a very limited debate would take place, certain decisions would be accepted without much resistance, and the learning of the leaders would be confined within what was considered to be the norm (Argyris 1976). The assumption of unilateral control was rejected under the double loop “model”, as “articulateness and advocacy are coupled with an invitation to confront one another’s views and to alter them, in order to produce the position that is based on the most complete valid information possible and to which participants can become internally committed” (Argyris 1976, p.369). Additionally, sharing power with the most competent people to make decisions and to take actions on those, is another crucial aspect of double loop learning coupled with the avoidance of creating defensive blocks. Unfortunately, this last element, the establishment of “defensive routines” was seen as one of the reasons why it is challenging for most organisations to be involved in double loop learning (Argyris and Schön 1978).

However difficult it might be for organisations to embark on double loop learning, Argyris did not consider it impossible, while he also stressed that double loop learning is directly linked to yet another level of learning, i.e. deuterio-learning. According to Argyris and Schön (1978), deuterio-learning concerns the ability of organisations to reflect on previous experiences and understand what facilitated or inhibited learning in those episodes. Using those past lessons, they can then build new strategies for learning and always evaluate the results (Argyris and Schön 1978).

The notions of single and double loop learning have proved very influential and have been adopted by researchers as a means to distinguish between routine and more radical learning as well as between incremental and transformational change

(Easterby-Smith et al. 2000). In addition, another contribution of Argyris' (1976) work was the focus on the factor of politics with regard to the possibilities for learning. Although Argyris' account concentrated more on the negative effects that political and bureaucratic factors had on learning (e.g. distortion of information) – in contrast to subsequent works, notably by Coopey (1995), that also recognise that positive results may accrue out of political activity – a political view on learning was not to be found even in later works related to the notion of the “learning organisation” assuming the free and open exchange of information (Easterby-Smith 1997).

Despite the influence of those ideas, a contradiction arises with regard to the fact that Argyris and Schön (1978) – writing from an Organisational Development perspective – support that external intervention is necessary so that an organisation can be involved in double loop learning, yet views about the need for those activities are formed inside the organisation which is already confined to a single loop model (Easterby-Smith et al. 2000). This point was stressed mainly by the Japanese scholar Ikujiro Nonaka (1994) who is credited with the shift of the debate from organisational learning to knowledge creation, and therefore his work is linked to the emergence of the knowledge management field as it is described above (Easterby-Smith et al. 2000).

Nonaka (1994) is critical of the notion of organisational learning as it assumes a static and mechanistic view of the organisation as mainly an “information processing” or “problem solving” system. However, such a passive view that considers learning to be based on a “stimulus-response” process between the organisation and its environment needs to be discarded in favour of a view that takes into account the fact that organisations not only process information and solve problems, but also create problems, information and ultimately knowledge. Thus, Nonaka (1994) and Nonaka and Takeuchi (1995) call for a dynamic theory of organisational knowledge creation.

For the development of their theory the two scholars adopt the idea of knowledge as a “justified true belief” but they stress that instead of concentrating on the “absolute, static, and nonhuman nature of knowledge, typically expressed in propositional forms in formal logic” they focus on “knowledge as a dynamic human process of justifying personal beliefs as part of an aspiration for the truth” (Nonaka 1994, p.15). This shift

of focus is explained as part of the aspiration of Nonaka to overcome the Cartesian split between mind and body – inherent in the Western epistemology – and therefore to bring together knowledge and action. Additionally, Nonaka and Takeuchi (1995) support that although knowledge is created by individuals it is legitimised and becomes available to the organisational level through social interaction. Therefore, according to Nonaka (1994, p.17), “organisational knowledge creation should be understood in terms of a process that organisationally amplifies the knowledge created by individuals, and crystallizes it as part of the knowledge network of organisation”.

The principal idea around which Nonaka (1994), and Nonaka and Takeuchi (1995) build their theory of knowledge creation is the distinction made by Michel Polanyi (1966) between tacit and explicit knowledge. As mentioned above, tacit knowledge lies to a great extent in action and personal experience and it is contextually specific and thus difficult to be formalised and communicated. In contrast to this, explicit knowledge can be relatively easily communicated and codified. Nonaka (1994, p.16) adds the observation that tacit knowledge as a concept “involves both cognitive and technical elements”. The cognitive elements refer to the mental models through which individuals define and interpret the world, while the technical elements refer to practical knowledge in terms of specific skills, tasks etc. which are defined as know-how (Nonaka 1994).

Therefore, using the above concepts as a starting point, Nonaka and Takeuchi’s (1995) model focuses on the interplay and conversion that occurs between tacit and explicit knowledge as they support that knowledge creation consists of four dimensions, i.e. socialisation (the conversion from tacit knowledge to tacit knowledge), combination (from explicit knowledge to explicit knowledge), externalisation (from tacit knowledge to explicit knowledge) and finally internalisation (from explicit knowledge to tacit knowledge). The first mode of knowledge conversion, socialisation, refers to the sharing of tacit knowledge through common experience, in the way an apprentice acquires tacit knowledge relevant to his craft by observing a master craftsman. The second mode, combination, refers to the creation of new explicit knowledge as a result of reconfiguring and recontextualising existing explicit knowledge (Nonaka 1994, p.19).

The third mode, externalisation, involves the conversion of tacit knowledge to explicit, something that as Nonaka and Takeuchi (1995) remark is accomplished through language, namely through the use of metaphors as well as analogies. Finally, internalisation according to Nonaka bears the most resemblance to the traditional concept of learning as it entails the conversion of explicit knowledge into tacit knowledge. Of the four modes of knowledge conversion, Nonaka (1994) points out that externalisation is the one most neglected in literatures relevant to organisational learning, and for that, he highlights its importance in the process of knowledge creation. However, he underlines the fact that organisational knowledge creation must rely on a constant dialogue between tacit and explicit knowledge, so that “all four modes of knowledge conversion can be managed organisationally to form a continual cycle” (Nonaka 1994, p.20).

A crucial aspect of managing the cycle of organisational knowledge creation is the establishment of *ba*. According to Nonaka and Konno (1998, p.40), “*ba* can be thought of as a shared space for emerging relationships. This space can be physical (e.g. office, dispersed business place), virtual (e.g. email, teleconference), mental (e.g. shared experiences, ideas, ideals) or any combination of these. What differentiates *ba* from ordinary human interaction is the concept of knowledge creation”.

Consequently, according to Nonaka and Konno (1998), there are four different types of *ba* that support each one of the four dimensions of their model of knowledge creation. Therefore, *originating ba* corresponds to the mode of socialisation, and it is a common place where individuals share experiences, feelings and mental models through immediate interaction. *Interacting ba* corresponds to the externalisation mode, representing a place where tacit turns into explicit knowledge through dialogue, as individuals share the mental models of others and reflect on their own (Nonaka and Konno 1998). *Cyber ba* concerns the combination mode, as it represents interaction in a virtual world and the reconfiguration of explicit knowledge through technological tools. Finally, *exercising ba* supports the internalisation mode, i.e. the conversion of explicit into tacit knowledge, and it represents a space for active individual experimentation and learning (Alavi and Leidner 2001).

Nonaka's explicit focus on the process of knowledge creation and his exploration of the interaction between tacit and explicit knowledge was an improvement over previous research that concentrated on the value of knowledge storage, retrieval and exploitation without making further remarks about the nature of organisational knowledge and the process through which it emerges in the first place. Additionally, Nonaka's influential framework stimulated further research examining the different kinds of knowledge that might exist in organisations, therefore releasing the notion of managing knowledge from the uniformity that characterised previous accounts. Two such frameworks were provided by Spender (1996) and Blackler (1995). Spender (1996) draws on Nonaka's distinction between tacit and explicit knowledge, but he adopts the notion of new knowledge emerging at both the individual and organisational levels, as the result of interaction between what he calls individual and social knowledge (Newell et al. 2002). Therefore, according to Spender's (1996) model, there are four different types of knowledge, i.e. individual/explicit (conscious), individual/implicit (automatic), social/explicit (objectified) and finally social/implicit (collective). Spender (1996), writing from a resource based theory of the firm, argues that in terms of a company creating a competitive edge, collective knowledge proves to be the most useful as it is very difficult for rival firms to emulate it (Newell et al. 2002).

On the other hand, Blackler (1995), in a review of images of knowledge in the organisational studies literature, suggests that five different types of knowledge exist in organisations. According to Blackler (1995, pp.1023-1025), "*Embrained knowledge* is knowledge that is dependent on conceptual skills and cognitive abilities. *Embodied knowledge* is action oriented and is likely to be only partly explicit. *Encultured knowledge* refers to the process of achieving shared understandings. *Embedded knowledge* is knowledge which resides in systemic routines and it is analysable in systems terms, in the relationships between, for example, technologies, roles, formal procedures, and emergent routines. *Encoded knowledge* is information conveyed by signs and symbols". Some of the above types of knowledge correspond to the ones mentioned above, e.g. embrained knowledge relates to Nonaka's tacit knowledge, encoded knowledge relates to explicit knowledge, while encultured knowledge corresponds to Spender's collective knowledge and embedded knowledge could be either tacit or explicit. However, an important idea that accompanies the

above taxonomy is that different types of organisations rely on different types of knowledge. Therefore, Blackler (1995, pp.1030) identifies “expert-dependent organisations which focus on embodied knowledge, knowledge-routinised organisations that emphasize knowledge embedded in certain routines and procedures, symbolic-analyst-dependent organisations that rely on embrained knowledge, and finally communication-intensive organisations that focus on encultured knowledge and collective understanding”. Consequently, the radical notion is that instead of considering knowledge management as a uniform activity consisting of certain steps which can be followed by any organisation, it is suggested that organisations have to come to grips with different implications for managing knowledge crucial to their competitive success.

How influential the above debates have been in the literature of knowledge management, especially Nonaka’s work, can be indicated by the fact that even researchers who adopted a perspective which focused explicitly on information systems not only considered knowledge creation to be an integral process of knowledge management activities, but also they stressed the importance of creating an appropriate social climate that encourages the sharing of knowledge. For example, although Davenport and Prusak (1998) share a normative view suggesting that one of the aims of knowledge management is to make knowledge visible and to illustrate its role in an organisation’s activities through maps and hypertext tools, their view still differs from previous approaches as they also underline the significance of developing a culture that encourages knowledge sharing and building knowledge infrastructures, in the sense of establishing “a web of connections among people to interact and collaborate”.

In a similar fashion, Alavi and Leidner (2001) consider knowledge creation to be the first of four processes that define organisational knowledge management, with the other three being knowledge storage/retrieval, transfer and finally application. Although again one of the main aims of the writers’ framework is to explore the extent to which different IT tools can facilitate each one of the above processes, it is important that they incorporate knowledge creation as a vital element of organisational renewal and success and they recognise the complexity of knowledge flows as a result of the interaction among individuals and groups that create both tacit

and explicit knowledge and use them to various ends. Thus, Alavi and Leidner (2001, p.123) come to the conclusion that “knowledge management is not a discrete, independent, and monolithic organisational phenomenon”.

However, in spite of Nonaka’s contributions to the literature of knowledge and organisations, including his sophisticated discussion on knowledge creation and the focus on the different facets of knowledge, its tacit and explicit side, his work is still characterised by a traditional and normative view of knowledge as an entity that individuals possess and which follows a spiral of conversion from tacit to explicit and vice versa in an uncomplicated way. Additionally, his insistence that all four modes of knowledge conversion need to take place in order for organisational knowledge creation to be successful, it results in considering this spiral as a virtue in itself, irrespective of the specific context in which knowledge sharing and creation takes place and the aims towards which such processes are directed (Newell et al. 2002).

A further criticism linked to this point is that although Nonaka’s model refers to tacit knowledge and the importance of learning by doing, it somehow overlooks the role of action and it does not address its relation to knowledge (Easterby-Smith et al. 2000). Therefore, in spite of its focus on knowledge creation as opposed to knowledge codification and exploitation, it is this entitative view of knowledge that results in Nonaka’s framework still being considered as yet another example of the “cognitive model” on knowledge management (Kakabadse et al. 2003, p.82). Also, the same view of knowledge is evident in Blackler’s (1995) and Spenders’ (1996) frameworks something that is recognised by the authors themselves. Therefore Blackler (1995, p.1034) remarks that “it is becoming clear that traditional conceptions of knowledge as abstract, disembodied, individual and formal are unrealistic”, while in a similar fashion Spender (1996, p.64) underlines that “these days knowledge is less about truth and reason and more about the practice of intervening knowledgeably and purposefully in the world”. Thus, the scholars hint at the possibility of a shifting emphasis from the view of knowledge as abstract, objective truth, a stable entity that can be shared, captured, codified, to more dynamic views of knowledge. It is this shift in emphasis that constitutes the focus of the next part of this chapter.

3.3: From Knowledge to Knowing

In the preceding part, it was mentioned that since the genesis of knowledge management as a field of interest to academics and practitioners alike, the “mainstream” perspective has been the one which considered knowledge as a resource that needs to be captured, codified and exploited in an effort to secure competitive advantage, and in that sense as a mere extension of data and information (Styhre 2003). And even when the attention is not turned to knowledge codification but creation, still knowledge is treated as abstracted, objectified truth and an entity which can easily take different forms as is evident in Nonaka’s (1994) SECI model.

Although the “mainstream” perspective on knowledge still characterises a significant part of the relevant literature, it has been challenged by a processual perspective whose defining elements were developed at the end of the 1980s, but which has come into prominence especially since the end of the last decade (Newell et al. 2002). The perspective is based on a constructionist view of learning and knowledge creation as activities that are accomplished through social interaction (Easterby-Smith et al. 2000). Consequently, particular attention is paid to the context in which such processes occur (thus sharing a key element with the processual approach on change outline in the Chapter Two) while knowledge is linked to action through the practices in which individuals and groups are involved (Newell et al. 2002). Therefore, emphasis is shifted from knowledge as a static entity to the process of knowing as part of action (Cook and Brown 1999; Newell et al. 2002).

Still though, the relation between knowing as practice and knowledge is still taken into consideration. Such a notion is implicitly expressed in Styhre’s (2003, p.33) idea that according to the processual perspective “knowledge is neither solely practice, nor concepts, but what emerges in between the seeing and saying, the operation and its conceptual framework. Knowledge is what integrates praxis and lexis. We can thus talk of knowledge as an assemblage of practice/concept”.

Although, as will be seen later, other authors such as Cook and Brown (1999) who come from the same perspective have chosen to draw a clear distinction between knowing as practice and knowledge in order to examine their relation, for the moment it is important to hold on to the point that as Styhre (2003, p.37) remarks “the fluid

and indeterminate nature of knowledge does not really fit, into the will to manage and control knowledge expressed by mainstream knowledge management theorists”.

Indeed, if one chooses to concentrate on knowing as practice and takes into account the social context in which knowledge creation and application takes place, then the implications for managing those processes are radically different to those that accompany the image of knowledge as commodity that *needs to be managed*. First of all, it can be said that endeavours that aim at knowledge exploitation through its codification and standardisation, might lead only to ephemeral gains, as the adherence to what becomes a routine can be an obstacle to change and the emergence of new knowledge relevant to the circumstances that an organisation faces (Kakabadse et al. 2003).

Furthermore, it is not only that such efforts might not be appropriate if an organisation aims at constant innovation, they might also not be as straightforward as the mainstream literature describes them to be. The reasons why this is the case have been explored by Tsoukas (1996) and Tsoukas and Vladimirou (2001). The starting point in Tsoukas' (1996, p.11) reasoning is that the principal problem firms face is the utilisation of knowledge that cannot be known by a single mind. Therefore, the scholar argues that the firm is a distributed knowledge system as no single agent can predict beforehand what kind of knowledge will be relevant in any particular circumstances as firms are faced with radical uncertainty. Additionally, it is remarked that although the knowledge a firm utilises partly originates in the broader social and business environment the firm operates in, it is “continually reconstituted through the activities undertaken within the firm...it is not and cannot be self-contained” (Tsoukas 1996, p.22).

This is caused by the fact that social practices which take place in a firm consist of three dimensions, i.e. role-related social expectations, dispositions acquired through past experience in various contexts, and interactive situations (Tsoukas 1996, pp.17-18). Role-related expectations and dispositions are activated within interactive situations shaped by the particular circumstances that practitioners have to face in the course of undertaking certain tasks. The fact that those three dimensions, i.e. normative expectations, dispositions and local circumstances are in constant tension

with one another, is seen as a source of innovation as practitioners have to use their judgement and select those elements from each dimension that they feel can resolve those tensions at any given time (Tsoukas 1996). Therefore, Tsoukas (1996) points to the important idea that engaging in a particular practice, which unfolds within a specific institutional context, affords organisational members the opportunity to use their tacit dispositions and to follow certain rules (which derive from a collective “body of knowledge” which their practice is based on), in an innovative way, creating new knowledge relevant to the firm. This is what Tsoukas and Vladimirou (2001, p.988) call “heuristic knowledge” (informal, personal knowledge). From the above argument two main implications derive.

Firstly, that the conversion of tacit knowledge to explicit is not possible, in contrast to what Nonaka (1994) and Nonaka and Takeuchi (1995) support in their SECI model. This is not only the case because “tacit knowledge is the necessary component of *all* knowledge...is not explicit knowledge internalised”(Tsoukas 1996, p.14), but also because tacit knowledge is grounded in specific contexts of practice/action and takes the form of conscious experience, so to suggest that at some later point this same knowledge is “externalised” and transformed into explicit, is to miss the point (Newell et al. 2002).

Secondly, that the innovative capability of organisations is not derived from the constant accumulation and standardisation of knowledge as the mainstream literature suggests, but by the interplay of propositional and heuristic knowledge. As Tsoukas and Vladimirou (2001, p.989) put it: “What gives organisational knowledge its dynamism is the dialectic between the general and the particular. Without the general no action is possible. And without the particular no action may be effective”. As a result of this, their own definition of what knowledge management might be differs from the definitions derived from the normative view reviewed in the previous part. Thus, according to Tsoukas and Vladimirou (2001, pp.990-91): “Knowledge management then is primarily the dynamic process of turning an unreflective practice into a reflective one by elucidating the rules guiding the activities of practice (what becomes propositional knowledge), by helping give a particular shape to collective understandings, and by facilitating the emergence of heuristic knowledge...managing organisational knowledge does not narrowly imply efficiently managing hard bits of

information but, more subtly, sustaining and strengthening social practices. In knowledge management, digitalisation cannot be a substitute for socialisation”.

The main ideas presented by Tsoukas (1996) and Tsoukas and Vladimirou (2001), have also been explored further by Cook and Brown (1999) who developed a framework which carefully examines the relation between knowledge and knowing and also constitutes a more consistent criticism to Nonaka’s work. The principal position around which their framework is built is that there is a need to distinguish between knowing as part of action and knowledge as a tool used in action. Knowledge is underpinned by an epistemology of possession, it is something static that people possess, while knowing is underpinned by an epistemology of action and it is dynamic, concrete and relational (Cook and Brown 1999, p.387). Knowing is viewed as practice in a particular organisational context, which entails one’s interaction with the world, something that “dynamically affords” the acquisition and use of knowledge. Therefore, a link between the two epistemologies is acquired, as according to Cook and Brown (1999, p.381), “the interplay of knowledge and knowing can generate new knowledge and new ways of knowing”.

Having defined knowing as practice/action, the scholars also turn their attention to knowledge and it is in this way that their work constitutes a criticism of Nonaka’s model. Examining the relation between tacit and explicit knowledge, Cook and Brown (1999) support that the two should be held conceptually distinct as they do distinct epistemic work. Therefore, even though in the context of knowing tacit knowledge might help the emergence of explicit knowledge and vice versa, it cannot be supported that one is converted into the other as each one does work that the other does not (Cook and Brown 1999, p.385-386). The same is true for the distinction between individual and group knowledge. Consequently, Cook and Brown (1999) develop a framework consisting of four distinct types of knowledge which play different roles as they are used as tools of knowing. The authors distinguish between explicit individual knowledge (e.g. knowledge of rules, concepts, equations), tacit individual knowledge (the skill of making use of concepts, rules and equations), explicit group knowledge (such as stories about how work is done) and finally tacit group knowledge or what the authors define as genres (Cook and Brown 1999, p.391).

According to the authors, genres can be defined as terms that acquire a tacit meaning by the members of an organisation as they use them in a specific institutional context. For example, the authors mention that although two organisations might employ the term “gathering” to refer to a form of meeting, the way the term is understood differs depending on the institutional context. As Cook and Brown put it (1999, p.392): “In one, a “gathering” could be understood by that organisation’s members to be where “the real decisions” are made. In the other, it could be seen as a time to make subtle political moves. The events are alike. The names are the same. The genres are different. In each case, what “gathering” means is known by the members of that organisation; it is group knowledge...it is also tacit knowledge”. Although, Cook and Brown (1999, p.393) support that each one of these types of knowledge is used as a tool of knowing in our interaction with the world, they also remark that at the same time the kind of knowledge we possess can shape and discipline our knowing. And it is in this dynamic relationship between knowledge and knowing that the innovative capability of organisations lies: “The generative dance, within the doing of the work, constitutes the ability to generate new knowledge and new ways of using knowledge – which knowledge alone cannot do” (Cook and Brown 1999, p.394).

By paying explicit attention to the various fields of practice which organisational members are involved with, and by linking issues of knowledge with action, the above cited works constitute a significant improvement over previous efforts coming from the “mainstream” literature on knowledge management. First of all, they represent a theoretical improvement as they help us view knowledge in more dynamic terms, i.e. even if knowledge is something we possess, its effective use is facilitated or inhibited by our interaction with the social world of which we are a part of, and simultaneously this interaction is mediated by the use of our knowledge. Secondly, this processual perspective also has practical implications, as innovative capability is disassociated from the mere accumulation of knowledge, its codification and exploitation, and is linked to the improvisational ability of organisational members to draw from various types of knowledge and skilfully apply them as they confront the particular situations that emerge in the context of their practice.

However, although this particular approach has recently gained some recognition as an effective way to research issues of knowledge creation and application, alongside

the more traditional perspective, its principal underpinnings go back to the late 1980s – early 1990s. It was then, that the analytical potential of linking knowledge and action, learning and working was first pointed out, with research examining issues of knowledge sharing and learning within what since has been called “communities of practice”. In what follows, this literature and its main issues are examined.

3.4: Knowing within Communities of Practice

As mentioned previously, many elements of the literature on the communities of practice have directly informed research and theory on the significance of knowing. This is not surprising, as some of the writers that recently explored further the relation between knowing and knowledge, e.g. Brown, were also some of the first to examine issues of learning within communities of practice. However, apart from those common elements, the latter literature includes specific characteristics related to the reasons for the emergence of those communities, their functioning and evolution that are worth exploring in this part of the chapter.

The term “communities of practice” was first used by Lave and Wenger (1991) in their study of traditional apprenticeships. These studies gave the authors the opportunity to develop their argument about the nature of learning. Within the particular context of a traditional apprenticeship, they supported that learning does not occur through the transmission of knowledge in instruction but rather through the participation and immersion of the apprentice within a community of practice. Therefore, a community of practice can be defined as an informal aggregation of people engaged in the same practice, sharing a common language and understanding of their roles within the community and the social world at large. As Lave and Wenger (1991, p.98) put it, the term community “does not imply necessarily co-presence, a well-defined, identifiable group, or socially visible boundaries. It does imply participation in an activity system about which participants share understandings concerning what they are doing and what means in their lives and for their communities”.

The idea of learning as a situated activity and not as something that occurs in isolation, thereby in prescriptive didactic terms, is linked to the notion of legitimate

peripheral participation. Apprentices are allowed into the periphery of a particular practice, where they construct an idea of the main elements their practice consists of and their learning is taking place as a process where they gradually become insiders, competent members of the community, constructing their identities in relation to it, appreciating its history and contributing towards its future (Lave and Wenger 1991; Wenger 1998). Therefore, the principal objective for apprentices/newcomers is not to learn *about* a practice, but to *become* competent practitioners (Lave and Wenger 1991).

On the other hand, it is also reminded that communities of practice constitute a context not only for the acquisition of knowledge (as newcomers gradually become insiders in the community) but also for the creation of new knowledge (Wenger 1998, p.214). As it is practice itself that constitutes the criterion of what a competent practitioner is, the regime of competence of a particular community is locally negotiated and for that reason is never static. There is always the possibility of the emergence of new insights, new learning, but a necessary condition for this is a creative tension between competence and experience (Wenger 1998, pp.137, 139). Newcomers and members with diverse experience will have to transform their experience so that it aligns with the current regime of competence, becomes a part of it and is valued. Thus, crossing boundaries between practices is suggested as a way to keep competence and experience in a tension, allowing the evolution of a practice so that it can include new insights (Wenger 1998). In fact, Lave and Wenger (1991, p.117) conclude that “change is a fundamental property of communities of practice and their activities” and it can come as a result of the contradiction between continuity (through legitimate peripheral participation) and displacement (as through the same process full members are replaced by new ones).

Although the concept of communities of practice was initiated within the context of traditional apprenticeships, referring to such professions as butchers, midwives etc., this notion was soon extended to refer to communities formed within the context of organisations of various kinds. According to Brown and Duguid (1998), communities of practice formed within organisations play a significant role in the development of dispositional knowledge, which they define as “know how”. According to the authors,

“know-how is critical in making knowledge actionable and operational” (Brown and Duguid 1998, p.95).

This process becomes a necessity for organisational members, given the increasing reliance of organisations on “canonical practice”, i.e. formal rules and procedures, which they are abstracted from the actual practices and overlook the details of “doing the job” in an effective way. Therefore, in their efforts to close the gaps between canonical and actual practice, workers have to rely heavily on their improvisational skills, as they and their colleagues make a better sense of their jobs and what constitutes a successful practice (Brown and Duguid 1991). In their attempts to be successful practitioners, workers form communities of practice which function outside the formal boundaries of working teams and they share “informal” knowledge acquired “doing the real job”, i.e. what Brown and Duguid defined as “know-how”.

Orr’s (1990) research on photocopier repair technicians demonstrated in a vivid way that this informal sharing of situated knowledge is primarily accomplished through telling war stories. In the technicians’ case, “canonical practice” takes the form of prescriptive documentation which lists a series of “symptoms” related to the problematic behaviour of a photocopier and possible ways in which those problems can be solved. However, the information provided, mainly reflects the documentation designer’s understanding of problems that a technician may encounter, and despite the possibility to incorporate lessons from the field in the documentation, this can only happen after a new problem has appeared and been solved (Orr 1990, p.172).

Furthermore, prescriptive documentation does not reflect the fact that “machine problems may actually be problems in the social relationship between customer and machine, and a large part of service work might be better described as the repair and maintenance of the social setting...machines must be considered in their social settings” (Orr 1990, pp.169, 171). Therefore, in dealing with problematic machines, technicians rely on informal collaboration with each other, exchanging stories related to previous incidents, mainly when a problem had been successfully dealt with, and from the various bits and pieces of their stories (which reflect their experience in the field), manage to construct a joint understanding of the machine’s behaviour and thus to reach a solution.

This point leads on to a series of important observations. Firstly, that the invention of “non-canonical practices” is not an individual but a collective process (Brown and Duguid 1991, p.46). Therefore, it is remarked that stories are not only the product of diagnosis but also “tools” to be used in subsequent incidents (diagnoses) and for that reason they could also be viewed as “repositories of knowledge” (Brown and Duguid 1991; Orr 1990). In that sense, another conclusion derived is that stories represent knowledge possessed not *individually* but *collectively*. Stories represent knowledge which is the “property” of community memory, still available even if individuals leave the community. A final aspect of story telling is that through their stories technicians also build their identities as competent practitioners. As Orr (1990, p.187) puts it: “The construction of their identity as technicians occurs both in doing the work and in their stories...it is in telling stories of their encounters with machines and customers that they have the opportunity to show their work as the interesting and even heroic enterprise that it is”. Once it is shown how communities emerge, how they are maintained and the crucial role they play in protecting the good reputation of their enterprises, the conclusion is again that learning-in-working is not only an occupational necessity but also the principal source of innovation for organisations (Brown and Duguid 1991).

Having examined the key aspects of the literature in communities of practice, the chapter will close with a look at the limitations in the application of the concept and the ways in which the current research can contribute to this literature.

3.5: Limitations and Areas for further Exploration

As it was underlined in the previous section, the notion of communities of practice has helped us appreciate the role of the informal learning processes that take place in firms and their contribution to the latter’s innovative capability. Furthermore, this literature inspired recent theoretical explorations which have contributed towards a more dynamic view of knowledge creation and application (through the interplay between knowing and knowledge).

However, in spite of those significant contributions, a relative limitation is that previous studies have not examined how those processes of informal cooperation and

learning are influenced by some of the more enduring aspects of the wider socio-economic context in which they are situated, except for the local conditions that a community's members face in the course of their work. The result is that authors have tended to assume an unproblematic nature to the social interactions in the workplace. Accordingly, critiques have focused on the fact that early studies on communities of practice have underplayed the existence of conflicting interests and subsequently the role that politics might play in the emergence of informal learning and knowledge sharing processes (Easterby-Smith 1997). Similarly – as will also be discussed in Chapter Six – apolitical views of learning have characterised more recent studies which, following the popularity of the term and its application in organisational contexts, focus on the issue of “managing” communities of practice for the improvement of performance (Contu and Willmott 2000).

Therefore, in spite of Lave and Wenger's (1991) remarks on how the dilemma between continuity and displacement – and consequently a struggle for influence between the old-timers and the newcomers in a field of practice – might provide a source for potential conflict, and Brown and Duguid's (1991) brief mention of power inequalities between members of such communities and the corporations which employ them, there is a relative lack of research that addresses politics and power differences in relation to learning unfolding within communities of practice. On the contrary, there is often the implicit assumption in the literature that consensus among the members of a community of practice is a given, and over the years this has often encouraged readings that focus on the term *community* – with its connotations of warmth, togetherness, lack of conflict etc. – overlooking how conflict might reside within divergent understandings of practice, as Brown and Duguid (2001) have themselves acknowledged. This gap has been partially filled by the work by Contu and Willmott (2003) and Swan et al. (2001). This study complements those efforts but also differs from them.

Beginning with the article by Contu and Willmott (2003), it is important to note that given the issues discussed above the two authors clearly recognise the need for a more critical view when looking at informal learning processes in communities of practice. For them, such a pursuit should be accompanied by a focus on the “wider institutional contexts” (p. 292) that influence the ways in which those processes unfold within

organisations and by an explicit discussion on power relations. To illustrate their arguments Contu and Willmott (2003) choose to reinterpret Orr's (1996) ethnographic study from a perspective that pays attention to power inequalities in capitalist work organisations. Thus, they stress the fact that Orr's technicians – with reference to their position in the organisational hierarchy – had very little influence on the design of their work. They simultaneously highlight the managerial objective to retain control of the employment relationship and the technicians' activity through the provision of procedure manuals that the latter had to use when repairing machines at customers' sites. Given these conditions, the authors subsequently interpret the technicians' skilful practice (a result of informal knowledge sharing through story telling) as derived from a concern "to resist moves and pressures to further commodify their labour" (Contu and Willmott 2003, p.292).

In summary, despite the fact that they do not employ empirical evidence, Contu and Willmott (2003) through their reflections on Lave and Wenger's situated learning theory and its application in an organisational context by Brown and Duguid (1991), provide us with a convincing argument for the possibility of incorporating a focus on power relations and conflicting interests in analyses of learning within communities of practice. However, despite their comments on the necessity of focusing on the significance of the wider macro-context, their choice of material to illustrate their line of thinking leads them to concentrate almost entirely on the "potential antagonism between the buyers and sellers of labour" as it is played out in "labour markets and corporate hierarchies where labour is commodified and controlled" (Contu and Willmott 2003, pp.288, 293), with only a passing reference in their conclusion to the influence of other factors, e.g. product markets.

Therefore, at this point it should be underlined that this study is consistent with Contu and Willmott's (2003) position of taking into consideration the potential for conflict that arises from the existence of power differences between managers and their subordinates. However, it is also different in that it employs empirical data and adopts a critical realist ontology which has the potential to allow an analysis that incorporates a broader set of issues apart from a focus on the asymmetries of power in capitalist employment relations.

As underlined earlier, another study that has adopted a critical stance is that of Swan et al. (2002) on the management of innovation. Their study employs empirical analysis and examines the attempts of managers to construct a community of practice in order to integrate knowledge across professional and occupational networks of practice, given the “unevenness of their work practices and power relations” (Swan et al. 2002, p.486). In particular, Swan et al. (2002, p.491) interpret those managerial efforts as seeking “to exploit both the performative qualities of the community of practice in relation to the sharing of knowledge and its associated discursive qualities of consensus and solidarity in relation to the mobilisation of commitment”.

The fact that the unit of analysis in Swan et al.’s work is a medical innovation requiring interdisciplinary collaboration means that, as described above, their emphasis is placed mainly on inter-organisational relations and *networks* of practice – in this case networks based around medical professions – where on the one hand practice enables communication between the network members but on the other hand (as the term network denotes) relations are looser in comparison to a community of practice (Brown and Duguid 2001, p.205). That clearly differentiates their work from the focus of this study on intra-organisational relations and knowledge sharing within potential *communities* of practice, i.e. smaller groupings based around a common expertise rather than a well defined academic or medical discipline (the word “potential” is used to underline that the element of consensus – which facilitates informal collaboration among the members of such groupings – is not to be taken for granted). As a result of this difference in focus, the implications concerning managerial involvement in relation to processes of knowledge sharing differ as well.

However, despite those differences, an important idea derived from Swan et al.’s (2002) study – and which is reinforced here – is that a focus on the distinction between the social practices of employees and those of managers can help to obtain a better understanding of the extent to which the latter are engaged in encouraging informal learning, as opposed to focusing mainly on managerial intentions and thus viewing management as “a uniformly powerful group” (p.482).

Having clarified the differences of this study with the approach undertaken by Contu and Willmott (2003) and Swan et al. (2002), it is important at this point to remind the reader that in this case the task of adopting a more politically sensitive view on the

issue of informal learning processes in times of change is to be accomplished through a focus on the macro structural contexts within which those processes are implicated and it has been informed by a critical realist perspective. The main aspects of this ontology and its implications in relation to research design are discussed in detail in the next chapter.

3.6: Concluding Remarks

This chapter has examined literatures related to knowledge management and learning in communities of practice. Beginning with normative approaches where knowledge is treated as a fixed entity that can be managed, the chapter later focused on recent critiques that have placed emphasis not on knowledge but on “knowing” which is understood as a process unfolding in specific contexts of action/practice. Discussions on this processual approach to knowledge provide a link to the literature examining learning and knowing within communities of practice. In particular, it was argued that this literature has furthered our understanding of the significance of informal learning in organisations but there are also areas where more detailed exploration is needed. In particular, a focus on how those micro-level interactions might be informed by elements of macro socio-economic contexts in which they are embedded, an emphasis on the potential influence of micro-politics and as a consequence of this point a more critical view of the role of managers in informal learning processes. Finally, the chapter discussed recent works that have addressed some of the above issues in some detail and their differences in comparison to this study were outlined. One of the key differences in relation to the Contu and Willmott paper involves the adoption of a critical realist perspective that explicitly focuses on the influence of broader social structures on micro-level interactions and with regard to the Swan et al. (2002) study a focus on intra-organisational relations as opposed to networks of practice.

CHAPTER 4: METHODOLOGY

4.1: Introduction

Having reviewed the literatures on organisational change and communities of practice it has to be stressed that research design is of great importance to any piece of research. Indeed, the strategy that a researcher selects to answer the research questions and to examine a specific topic can influence the quality of the results. Therefore, the current chapter will examine first the ontological and epistemological assumptions that have informed the researcher's work, and subsequently the specific research design, i.e. case study, and methods that were chosen as a result of these assumptions. A description of the research site will follow, including discussions on access and on how the methods were employed in relation to the main research settings while finally issues of data analysis are addressed.

4.2: The Ontology and Epistemology of Research

Every attempt to acquire knowledge about certain phenomena, natural or social, is necessarily informed on the one hand by certain ontological assumptions on the part of the researcher, i.e. assumptions about the nature of the world, and also by certain epistemological assumptions, i.e. assumptions about the nature of knowledge and how it can be acquired (Danermark et al. 2002).

Conventionally, it is considered that there are two main philosophical approaches that have informed research in the area of management and organisation studies, i.e. positivism and constructivism. Positivism as a philosophical position supports the application of the "scientific method" of the natural sciences to the field of social sciences (Blaikie 1993). Therefore, the main objective of a research inquiry informed by positivism is the inference of general laws related to the facts of reality. This objective is achieved through the formation of certain hypotheses concerning the relation between variables, which are then subjected to rigorous statistical analysis (Godard 1993). In the cases where the hypotheses withstand the empirical testing, the conclusions drawn take the form of value-free laws related to the nature of social phenomena (Blaikie 1993).

However, the above described perspective has been criticised from a number of different angles. Firstly, the adequacy of the deductive logic in social sciences is questioned, as it is noted that the subject matter of the social sciences differs from that of the natural sciences. Social science studies human beings as knowledgeable actors who are capable to reach conscious decisions in contrast to the inanimate objects of natural sciences (Godard 1993). This point implies an alternative way of inquiry than multivariate research. Secondly, although the supporters of positivism argue that the adoption of deductive logic can provide us with causal explanations of the various social phenomena, it can be said that statistical covariance does not necessarily constitute a causal explanation. Maybe it is not a coincidence that according to Godard (1993), in several cases multivariate research in a number of disciplines, such as Industrial Relations, Economics and Behavioural Science, has failed to deliver its promises.

Much of the criticism that points to the difference between the subject matter of the natural and the social sciences comes from the philosophical position known as social constructivism. From this perspective, it is also held that social reality constitutes the product of its inhabitants and it has a particular meaning for them which subsequently shapes the motives of their behaviour (Schutz 1967). Hence, it is considered that all that is real resides in the minds of individuals (Guba and Lincoln 1994). Therefore, supporters of the constructivist approach opt for research of an hermeneutic nature, focusing on the motives of individuals and the meanings they ascribe to their own actions and the actions of others that are central for social phenomena (Godard 1993).

Although the author agrees with the point that the social world is socially constructed and interpreted by its inhabitants, he is not willing to follow the next step and assume that all that exists is a construction of individual minds. This notion does not account effectively for the idea that individual agents might feel constrained by the circumstances they find themselves (Ackroyd 2004). In relation to this point, it has to be stressed that the present study examines the micro level interactions related to the process of knowing, but it aims to explain some of their characteristics by referring to elements that do not necessarily belong to the immediate local context within which these interactions occur. This effort was facilitated by the adoption of an ontological

and epistemological position alternative to both positivism and constructivism, i.e. a critical realist position.

Critical realism is a philosophical approach, which is founded on the work of the British thinker Roy Bhaskar and constitutes an alternative to both positivism and postmodernist relativism. On the one hand, empiricism/positivism claims that scientific knowledge about reality can be attained through neutral empirical observations and the subsequent formation of universal laws concerning the relation between empirical events. On the other hand, relativism, by calling attention to the relation between concepts/theories and reality suggests that since our understanding of reality is always mediated by varying theories, “we cannot uphold the existence of any reality at all outside language and its constant change of meaning” (Danermark et al. 2002, p.17).

Critical realism differs from the above positions by drawing an ontological distinction between the transitive and intransitive objects of scientific knowledge (Morrow and Brown 1994). Reality and its unchanging nature that exists independently of the science itself constitutes the intransitive objects of science while on the other hand the scientific theories that try to explain reality constitute the transitive objects of science (Bhaskar 1986). Therefore, by calling attention to the transitive dimension, critical realism rejects the epistemic fallacy of empiricism/positivism which reduces what is to what we know about it. Also, by stressing the intransitive dimension, it avoids the relativist position which does not grant reality an independent existence outside the realm of language and concepts (Morrow and Brown 1994). Hence, the principal position taken by critical realism that reality exists independently of our knowledge of it.

This position is supported by an ontology that recognises the existence of three different domains of reality, i.e. the empirical, the actual and the real. The empirical domain consists of events that can be observed in the positivist tradition, the actual domain consists of what actually happens whether we experience it or not, while finally the real domain consists of the mechanisms which cause what actually happens in the world (Bhaskar 1978). According to Bhaskar (1978, p.56): “The causal structures and generative mechanisms of nature must exist and act independently of

the conditions that allow men access to them, so that they must be assumed to be structured and intransitive, i.e. relatively independent of the patterns of events and the actions of men alike“. Therefore, critical realism rejects the positivist claim that scientific laws concern the identification of a constant conjunction between events. Instead it supports that “the real basis of causal laws are provided by the generative mechanisms of nature” (Bhaskar 1978, p.14). We will return to this point later on in the chapter.

Another significant point with regard to the critical realist ontology is that the world is not only differentiated between the three domains of reality but it is also stratified, i.e. it consists of different layers or strata with different powers and mechanisms acting in each stratum (Blaikie 1993). According to Danermark et al. (2002), a simple way to imagine this is for example with the physical mechanisms in the first stratum, the chemical mechanisms in a second, the biological mechanisms in the next stratum and finally the psychological and social strata at the top. Although each new stratum has been formed by the mechanisms of the underlying strata, it is also something qualitatively different and entirely new with its own emergent powers and mechanisms and cannot be reduced to underlying strata.

With regard to explaining certain phenomena, an important implication of the idea of stratification is that, depending on the purpose of the study, the underlying strata and their respective powers and mechanisms can be taken for granted and the focus is on uncovering the mechanisms working in the particular stratum of interest to the researcher (Sayer 1992). Therefore, although it is not uncommon in the social sciences that social phenomena are explained by reference to psychological mechanisms, the main focus of the research should be on revealing the mechanisms working at the social level (Danermark et al. 2002). This last point is directly related to the next part of the chapter, which mainly examines the implications of adopting a realist ontology in doing research in social sciences.

4.2.1: Realism in Social Sciences

Although a clear understanding of the nature of the world and the nature of knowledge is vital for every piece of research, two further points need to be stressed

that differentiate research that takes place within the field of social sciences from research in natural sciences.

The first point to be mentioned is that although the objects of natural sciences are socially defined – our understanding of reality is dependent on concepts we form – but naturally produced, the objects of social sciences are socially defined and socially produced as well (Sayer 1992). Society, as the principal object of social sciences, is the product of human action, and this leads to a situation where the social researcher enters a world which has already been interpreted by others, i.e. research in social sciences is a process that involves a double hermeneutics, once the researcher has to interpret other peoples' interpretations, in contrast to research in natural sciences which involves a single hermeneutics (Giddens 1976).

The second point of difference between the natural and the social sciences is related to the fact that in the former the researcher is able to work with closed systems, i.e. systems where a certain generative mechanism and its operation can be studied in isolation from the influences of other mechanisms, a classic example being performing an experiment. However, research in social sciences takes place in open systems where the effect of a mechanism can be influenced by other mechanisms operating at the same time, either in cooperation or counteracting the particular mechanism under study (Danermark et al. 2002). Firstly, the above made points can clarify further our understanding of the social world from a critical realist point of view, and secondly, they have clear implications for the kind of knowledge we can gain with regard to social phenomena.

Therefore, societies are conceived as “structures of social relations where people occupy different positions” (Danermark et al. 2002, p.26). These relational structures endow people who enter them with causal powers or mechanisms and according to Tsoukas (1989, p.553), an example of that are the managerial powers of control and cooperation which “cannot be explained by reducing them to the powers of specific superiors, but by the latter's incorporation into a wider structure of relations of production”. However, as mentioned above, given the fact that societies are open systems, it is not necessary that a particular mechanism is always activated and that leads to the conclusion that objects and structures possess causal powers that “operate

as tendencies whose activation, as well as the effects of their activation, are not given but contingent” (Tsoukas 1989, p.553).

The epistemological implications that follow from the last point are that, firstly, the knowledge we obtain in relation to social phenomena needs to have explanatory power but not predictive ability, since predictions of events are not possible in open systems for the reasons mentioned above. For the same reasons, it is held that a proper understanding of social phenomena comes not from the identification of a constant conjunction of events and the subsequent formation of universal laws, but from the identification of structures and their generative mechanisms that account for the appearance or non appearance of certain phenomena.

In addition, given the fact that theories constitute the transitive dimension of science, it can be supported that our knowledge of social phenomena is open to change as new scientific studies can prove that our knowledge was false (Danermark et al. 2002). It is obvious that the adoption of a critical realist ontology and epistemology will have certain methodological implications, and within this context, our attention will be turned to the relation between structure and agency, as this point is of particular significance in the analysis of social phenomena.

4.2.2: Structure and Agency

As mentioned in Chapter Two – in the discussion on the processual perspective in understanding change – the relation and interaction between structure and agency is a vital point to be considered when analysing social phenomena, and more specifically when examining issues of social reproduction and/or transformation. As a result of the above described ontology, critical realism adopts the position of analytical dualism with regard to the interaction of structure and agency (Archer 1995). This means that although it is recognised that structures constitute the product of human action, they acquire an independence from it (Ackroyd 2004). Therefore, according to Reed (1997, p.30), we have to make “a categorical distinction between human action and social structure; the properties possessed by the latter are fundamentally different from the former to the extent that they pre-exist the social activities through which they are reproduced or transformed”.

This analytical position differs from that of approaches such as social constructionism and ethnomethodology, which in their most radical form deny any independent existence to social structures, consider them to be only a product of discourse and in this way reduce structure to agency. By suggesting for example that organisational structures are “talked into being”, structures lack any analytical significance as they are thought to come into existence only when they are instantiated in the interaction of individuals through discourse in the local “here and now” conditions of the organisational life (Boden 1994).

In addition, the position of analytical dualism also differs from Giddens’ structuration theory. Although structuration theory shares a common point with critical realism by suggesting that social structure is the medium and outcome of human action – the notion of the duality of structure – there are further points that set the two approaches apart. The main problem is the way in which Giddens conceptualises structure. According to Giddens (1984), structures are regarded as the rules and the resources which are actualised through their use by agents in specific social contexts. As a consequence, on the one hand structures work as means, as agents draw upon them (as rules and resources) to act and interact, and on the other hand they are outcomes as they are reproduced through their instantiation in the activities of agents (Mouzelis 2000). However, the result of the above conceptualisation of structure is a central conflation between structure and agency, as “the same structural characteristics participate in the subject (actor) as in the object (society). Structure forms “personality” and “society” simultaneously” (Archer 2000, p.464).

This is why critical realism adopts the approach of analytical dualism where structures predate the actions which reproduce or transform them (Reed 1997). Stressing that temporal dimension, Archer provides us with a framework that accounts for the interplay between structure and agency and consists of three phases, i.e. structural conditioning, social interaction and structural elaboration (Archer 1995). Structural conditioning takes place at a temporal location T1 where pre-existing structures, resulting from past actions, effect on subsequent social interaction. At T2 social interaction takes place as agents interact with those pre-existing structures and they find themselves being enabled and constrained by them. Between T2 and T3 structural elaboration takes place which is completed by T4 where those pre-existing

structures are either reproduced (morphostasis) or changed (morphogenesis) (Fleetwood 2004). In that way structures are given the analytical significance they are due (Reed 1997).

The idea of analytically separating structure and agency so that their interaction can be studied more effectively, has also been applied in Barley and Tolbert's (1997) work on institutionalisation. The two scholars draw on Archer's framework – albeit implicitly – and employing the concept of scripts as recurrent behavioural patterns, examine the interaction between the institutional realm and the realm of action. Incorporating a temporal dimension as well, Barley and Tolbert suggest that at a temporal location T leading to T1, there are four moments of interaction between the respective realms. The first moment refers to encoding, i.e. the internalisation of rules and routines in the behaviours of actors in a specific setting. The second moment entails the enactment of scripts which encode institutional principles, something that is accomplished either in a conscious way or subconsciously without the actors actually being aware of it. The third moment involves the revision or replication of scripts that have informed the action in a setting while finally the fourth moment of institutionalisation entails the objectification of such scripts which obtain “an actual reality and their relationship to the existing interests of different actors becomes obscure” (Barley and Tolbert 1997, p.103).

The first two moments refer mainly to the institutional constraints on action, while the last two show how institutions are maintained or transformed through action. Although in the particular example there was an emphasis on maintenance with the objectification of scripts, Barley and Tolbert remark that institutional change is possible but it is more likely to occur as a conscious decision to alter scripts rather than as an unconscious deviation from certain patterns of behaviour. Therefore, in practical terms, the comparison of scripts produced between the temporal locations T and T1 will allow the researcher to conclude whether a particular institutional order has been transformed or maintained. However, it is very important to stress that the idea that structures have a conditioning effect on agency does not mean that they determine it. For example, in the present piece of research, the examined acquisition and the subsequent integration of two companies, as a new form of organisational

structure may present agents with certain problems but it does not determine their actions.

Nevertheless, it should be mentioned that with regard to structural elaboration, not all agents have equal capacity for changing pre-existing structural contexts (Ackroyd 2004). Archer (1995) distinguishes between corporate agents who have the ability to bring certain changes for their own benefit, and primary agents who are merely restricted to the reproduction of their circumstances. Having examined the position critical realists adopt with regard to the interaction between structure and agency, a point of great analytical importance, the discussion will focus on the methodology of the research, beginning with issues of research design and examining the specific methods used.

4.3: Research Methodology

This part of the chapter will begin with a brief discussion on issues of methodology and research design as they are taken into account from a critical realist point of view. This will lead on to a discussion on the specific research design employed in the current piece of work, i.e. the case study design. The main reasons for choosing such a research design will be examined together with its strengths and relative weaknesses. Finally, the specific methods employed in this study, i.e. semi-structured interviews and non-participant observation, will be presented again with a brief discussion on “pros and cons”. However, the specific way in which the methods were employed doing the research, will be presented in the later part of the chapter that examines the particular characteristics of the research settings.

4.3.1: Research Design

Before examining issues of methodology and research design from a critical realist point of view, it would be useful at this point to outline again the main research objectives. Therefore, by examining the process of knowing within a context of organisational change, the research has the following objectives.

First of all, to provide us with an understanding of the extent and the way in which initiatives related to managing the change that derived from the integration of two

companies – following an acquisition – facilitated or inhibited the process of sharing local “on the job” knowledge within a spirit of a community of practice. Also, to shed light on the role that such communities can play so that the new organisation realises its various objectives. Second, by focusing closely on the issue of knowledge sharing, to draw conclusions with regard to the process of knowing that enables the members of such communities to make use of their shared knowledge and their more tacit dispositions in order to accomplish their everyday work. From that perspective it is hoped that the unfolding of informal learning and knowledge sharing, will be explained drawing not only on the micro level interactions among individuals in the local context of their work but also on some of the more enduring aspects of the wider macro context.

Having outlined the research objectives we can now examine how critical realism approaches issues of methodology. At this point, it is important to stress that critical realism rejects the - positivist connected - notion of a universal method appropriate for every piece of research. Instead it supports that the choice of method will depend “on the one hand by what we want to know, and on the other hand, by what we can learn by the help of different methods” (Danermark et al. 2002, p.204).

Also, by considering that one of the main issues in relation to methodology is the extent to which different methods can facilitate the task of identifying generative mechanisms, critical realists refer to intensive and extensive designs that do not constitute two polar opposites but that complement each other (Easton 2000). Thus according to Danermark et al. (2002, p.163):

“The way in which intensive and extensive procedures relate to qualitative and quantitative methods can be described thus: the intensive empirical procedure contains substantial elements of data collecting and analyses of a qualitative kind. The extensive procedure has to do with quantitative data collecting and statistical analysis. What we are discussing here is complementary empirical procedures and their being part of a greater whole, namely the research process guided by a critical realist ontology.”

However, taking into account the point that the combination of quantitative and qualitative methods in a piece of research is possible, but it does not constitute a

panacea, the author opted for a purely intensive research design. A point of great importance in making that decision was the fact that the study of acquisitions in terms of their influence on and contribution to phenomena of knowledge sharing was not the most common approach taken in the literature. Therefore, an intensive design emerged as the best option as it could provide the researcher with the ability to initially explore and gradually build explanations around certain issues. These might include for example how the actors in the research settings perceived the acquisition in hand and how it influenced their jobs and their ability to share relevant knowledge.

Although it has been supported that in certain cases the use of extensive empirical procedures can take place at a preparatory stage of the research, indicating potential mechanisms to be uncovered later on by using intensive procedures, such an approach would not have been of much help considering the nature of this research. For example, a survey on the feelings of employees following an acquisition would give a picture of the most common reactions in relation to post acquisition management, possibly ranging from positive to negative ones, but it would not go beyond the ground already covered in the relevant literature – which generally does not take issues of knowledge sharing into consideration – and therefore it is doubtful that it would have contributed any answers to the research objectives.

The design employed in the present piece of research is presented in the following part of the chapter.

4.3.1.1: The Case Study Design

As it was mentioned above, although the author was aware of the possibility of combining the intensive and the extensive approaches, thereby using both qualitative and quantitative methods, the topic and the objectives of this research made clear that a better option would be to pursue a purely intensive approach, i.e. the in-depth study of a single organisation using qualitative methods, mainly semi-structured interviews but also non-participant observation and the study of organisational documents.

At this point, the reader has to be reminded that the starting point of the research was to examine the way/s in which a recent organisational change, in this case an acquisition and the subsequent integration of two organisations, gives rise to

phenomena of knowledge sharing and how it influences the process of knowing which takes place in communities of practice within the organisation. The use of quantitative methods would not be of great help to the researcher. The process of knowing that takes place within existing or newly formed communities of practice is a complex one, and the way it is played out cannot be reduced to variables to be used in the context of a survey. Similarly, the effect that the post-acquisition integration management would have on knowledge sharing cannot be studied as a relation between certain variables. But even in case such a crude approach was to be followed, it could not provide us with a deeper understanding of why things are as depicted. Moreover, it has to be stressed that the reviewed literatures did not make out a case for using quantitative methods. We will return to this point later but first it would be useful to give a definition of the case study design.

According to Yin (2003, p.23), a case study is “an empirical enquiry that investigates a contemporary phenomenon within its real-life context: when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used”. The above definition perfectly underlines the main characteristics that distinguish case studies from other forms of research designs, i.e. the examination of contemporary phenomena in contrast to histories, the focus on the context in which the phenomena take place, in contrast to experiments or surveys which do not investigate the context very deeply, and finally the use of multiple sources of evidence. However, it should be stressed that the last feature need not refer to the combination of qualitative and quantitative methods but the use of different kinds of qualitative methods. For example, Pettigrew (1985) in his famous study of organisational change in ICI used mainly interviews for collecting data in combination with archival research, while Whipp and Clark (1986) used exactly the same methods in their study of strategic innovation in the auto-industry.

The above examples also imply when case studies are particularly useful in research. According to Hartley (1994, p.212), “the strength of case studies lies especially in their capacity to explore social processes as they unfold in organisations”. Therefore, it can be said that within the field of organisation studies, case studies are especially appropriate in research whose objective is to examine various social processes (e.g. the process of change and the process of knowing) and to understand them within

their organisational and environmental contexts and in many cases within a time frame. This processual, contextual, and longitudinal analysis of actions and their meanings within organisations, can be achieved much better using case studies than surveys which can only provide the researcher with a static view of relationships between variables without capturing the processes which lie behind these relationships (Hartley 1994).

Thus, given the nature of the present study and its objectives, it is hopefully clear why case study emerged as the only reliable form of research design. It also has to be added that the organisation which constitutes the focus of the present study was chosen mainly because it allowed the researcher to examine the micro level interactions with regard to the process of knowing and to link them with some of the more macrostructural conditions of organisational life, given the process of managing the change which accrued from the integration of the two companies.

In spite of the above strengths of using a case study design, a very common criticism concerning its use in research is that it provides very little basis for generalisations (Yin 2003). This criticism usually takes the form of questions such as “How can you generalise from a single case study?” or “How do you know that the case you have chosen is critical?” (Smith 1991; Yin 2003). As Yin (2003) mentions, the above argument implicitly contrasts case studies with surveys where “a sample readily generalises to a larger universe”. Thus, from a statistical point of view, a case study can be considered as a sample of one, and therefore the findings cannot be generalised to a wider population. According to the above argument, case studies cannot legitimately produce general theoretical claims and therefore are useful mainly for the initial exploration of a phenomenon which will lead to a “proper” quantitative study to establish empirical regularities (Tsoukas 1989).

However, at this point it has to be stressed that it is not appropriate to apply statistical criteria in order to judge the quality of research based on case studies. For the principal aim of case study research is not to provide us with predictions, but to generate valuable explanations and an understanding of certain phenomena. Therefore, the researcher has to be able to use certain ideas in order to provide explanations and an understanding that is linked to more general concepts in the

literature and, due to this fact, go beyond the particulars of a specific case study (Coffey and Atkinson 1996). This can be achieved through the adoption of abductive reasoning which signifies a process of going back and forth between the data in hand and the broader theoretical concepts, as the researcher tries to locate the phenomenon under study into explanatory frameworks that provide the basis for new configurations of ideas from the related literatures (Coffey and Atkinson 1996).

From the above, it is shown that the aim of case study research is analytical and not statistical generalisation, while (with regard to the demand for explanations) case studies provide us with explanations that incorporate a temporal dimension as well, therefore drawing a picture of cause and effect that goes beyond the limits of a mere association between events, as is the case with surveys and experiments. It is for this reason that Tsoukas (1989, p.556) stresses that:

“Within the realist paradigm, explanatory idiographic studies are epistemologically valid because they are concerned with the clarification of generative mechanisms, which have been contingently capable of producing the observed phenomena.”

Having clarified the reasons why the case study design was pursued for the present piece of research, it is now appropriate to examine briefly the methods that were used for the collection of the data.

4.3.2: Methods of Data Collection

Semi-structured interviews constituted the main method for collecting data and these were complemented by non-participant observation and also by the use of documents provided by the studied organisation. The use of semi-structured interviews and non-participant observation in research is examined briefly below. A later part of the chapter will discuss how the above methods were employed within the particular research settings.

4.3.2.1: Semi-structured Interviews

This part of the chapter will examine the implications of using semi-structured interviews as part of the research. According to Bryman (2001, p.314), in semi-structured interviews the interviewer has a list of certain questions to be covered but

“the interviewee has a leeway on how to reply”. The main advantage of this type of interview is that it is flexible enough to allow the researcher to explore certain issues in depth, while on the other hand it allows the comparability of data, e.g. in situations of case studies, such as the present one (Bryman 2001).

Therefore, as one of the objectives of this research was to obtain a rich understanding of how the acquisition was experienced by the members of the acquired organisation and of the extent and the ways in which this influenced informal learning activities, semi-structured interviews emerged as a possible choice as they allow the researcher to “probe answers, where he wants his/her interviewees to explain or build on their answers” (Saunders et al. 2000, p.247). Also, given the fact that the research took the form of a case study of a single organisation but focusing on two different locations within it, it was clear that the comparability of the data was a desirable element of the research, something that could not be achieved through the adoption of purely unstructured interviews.

An issue to be taken into consideration regarding the use of semi-structured interviews is related to the practice of recording and consequently transcribing the generated data. Given the fact that semi-structured interviews are not driven by the interviewer, recording and transcribing can facilitate the whole process, as a complete account of what has been said in relation to the topic is highly desirable (Bryman 2001). In addition, as the interviewer does not take notes which can distract his/her attention, s/he is able to follow all the points made by the interviewees by probing their answers and trying to reach a rich understanding of their views in relation to the research topic. On the other hand, it should not be neglected that the above process is time consuming. According to Bryman (2001), the researcher should allow at least five to six hours for the transcription of every hour of discussion, while transcription also generates a vast amount of data to be analysed, adding to the researcher’s workload. A further implication that derives from the above points is that as Lofland and Lofland (1995, p.87) suggest, the researcher should not “let the transcripts pile up, without studying them as they become available”. The author took this point into serious consideration this point as it allowed him to identify certain issues and use them in subsequent interviews.

In terms of the reliability of the data obtained from semi-structured interviews, two factors could cause a concern, i.e. the interviewer's and interviewee's bias. The former can arise in cases where the interviewer wants to impose his/her ideas on the interviewees through the questions asked or the tone in which the questions are dictated, while the latter can arise as a result of the fact that people in some cases are sensitive to the exploration of certain issues in depth and therefore provide the interviewer with a partial picture of the issue under research (Bryman 2001).

However, in this case the author was fortunate enough to overcome such issues, firstly by carefully forming the questions asked and adopting a tone which would not be conceived by the interviewees as an indication for them to give certain answers, and secondly by ensuring that the interviewees knew exactly what was expected of them and that they were also aware of the role of the researcher within the setting and of the subsequent use of the data. In addition, the participants in the interviews were given reassurance about the confidentiality of the obtained data and about their own anonymity, something that encouraged them to give a full account of their point of view without hidden angles (Homan 1991).

Finally, in terms of validity, it can be said that carefully conducted semi-structured interviews can lead to a high level of validity of data as they allow a full coverage of the topic and its examination from different angles (Saunders et al. 2000).

4.3.2.2: Non-Participant Observation

As mentioned previously, apart from conducting semi-structured interviews which constituted the main method for collecting data, the researcher also had the opportunity to use non-participant observation in several cases. The choice of the role of "non-participant" observer was influenced by the kind of access the researcher was granted to the organisation. A further discussion on access issues and how they influenced the choice of research methods is featured in a later part of the chapter.

For the moment, it is enough to simply mention that the researcher had the chance to sit in on several team meetings and also to be present at a major communication exercise just after the integration of the two organisations took place. This enabled

him to observe actors' behaviours, their attitudes towards certain issues, and also to witness first hand how the new organisation was trying to communicate certain aspects of the new strategy to its members.

Although Saunders et al. (2000) mention that the adoption of the role of non-participant observer usually leads to a more structured observation in certain settings, with an example being Mintzberg's (1973) study on the nature of managerial work, the purpose of using this method in the present case was to allow the researcher to cross-examine some of the main ideas/themes that emerged during the interviews but also to obtain first hand information on certain organisational practices that would additionally provide him with ideas for subsequent interviews as well.

In the majority of the cases, observation, within the above context was used after a significant amount of interviews were conducted. The main advantage of this set-up was that the participants did not have any suspicions against the role of the researcher in the setting, as is the case in some studies where participant observation is used and, at least initially, it is not always straightforward for the researcher to gain the trust of the participants (May 1993).

However, it may be said that the role of participant observer allows the researcher a substantial degree of interaction with the participants in the study, therefore providing him with a "from the inside" picture of organisational life, especially in cases where the researcher participates in the everyday working activities within the organisation. A recent example of such an approach is the research by Delbridge (1998), who adopted the role of participant observer, working on the shop floor in order to study the implementation of Japanese Manufacturing Systems in a British factory and a Japanese transplant.

However, not all research settings are appropriate for the adoption of the above role and as a result of that the use of non-participant observation, unstructured as in this case or otherwise, is not that unusual in organisation studies, as the above cited example of Mintzberg's work shows. Therefore, in relation to the present study, the nature of the working activities within the research settings did not suggest that the

use of participant observation would deliver better results than the actual methods chosen.

Furthermore, the use of semi-structured interviews, gave a very compelling view of the thoughts and the experiences of the research participants, which was also facilitated by the use of non-participant observation and the study of internal documents. At the same time, it has to be remembered that even in the case of participant observation, it is necessary for the researcher to enrich the obtained data with additional informal and formal interviews and, depending on the case, the use of documents as well.

Finally, with regard to the data obtained from observation, participant or otherwise, the time between the observation and the recording of data and their analysis should be as short as possible, as is the case with the analysis of interviews, because it is risky for the researcher to rely on his/her memory of the facts when analysing them (Hammersley and Atkinson 1995). Having completed the discussion on the main methods of data collection, it is now appropriate to focus on the specific site where the research took place.

4.4: The Research Site

A brief account on the history of the studied organisation opens this part of the chapter. This is followed by further discussions on negotiating and gaining access, descriptions of the two settings where fieldwork took place and details on how the main methods were used. The section concludes with a focus on the analysis of the data. At this point it has to be stressed that the exploratory nature of the study led the author to the decision to utilise the single case study of an organisation where a major change had taken place and where fieldwork could take place possibly in more than one setting. The chosen organisation (“Brewers Limited (UK)”) fulfilled these criteria, as the event of the merger and the integration of two different organisations presented the author with an excellent opportunity to explore issues of informal learning and knowledge sharing, the possible influence of conflicting interests and micro-politics, the role of managers in relation to those processes and the impact of the organisational and sectoral contexts.

4.4.1: The Case Organisation

“Brewers Limited” is a Belgian brewing company formed in the late 1980’s as a result of a merger. Since then, under the direction of a succession of chief executive officers, it has been transformed into one of the most successful brewers in the world. The company’s strategy for growth has contrasted to a great extent with that of the other global players who usually have focused on pushing their flagship brands throughout the world. Instead, “Brewers Limited” has grown by acquiring leading national and regional brands, then investing in production and promotion to increase those beers’ sales, alongside its own key brand “Santa Helena”.

The company expanded its operations in the UK by acquiring, in June of 2000, the brewing part of “Britco”, a company also operating in leisure business. As a result of this acquisition, “Brewers Limited (UK)” was formed. However, the strategy of growth by acquisition remained the key for the company to improve its position in both the global and the UK beer market and that very soon led to yet another acquisition in August 2000, this time of “O’Hagan Brewers”, UK’s second most successful brewing company (International Directory of Company Histories).

This study is based on the acquisition of “O’Hagan Brewers” by “Brewers Limited (UK)” and the next chapter will provide a more detailed discussion on the profiles of the three companies (“Brewers Limited”, “Britco”, “O’Hagan”), the background of the acquisitions, together with a description of the main characteristics of the UK brewing sector.

4.4.2: Access Negotiation

With regard to the issue of access to an organisation so that the research could take place, the author was aware that the nature and the topic of the research, i.e. the focus on an organisation where a major change had taken place, would present certain limitations. This was specifically because major changes even when they are successfully managed, always present companies with problems, specifically in relation to human resources which in many cases makes them reluctant to share information on these processes.

The author experienced this situation when two Greek organisations – where acquisitions had taken place – denied him access, on the ground that the issues on which information was sought, i.e. information on the way the change was managed, how it was perceived by people in the lower hierarchy and how it influenced the process of knowing, were very sensitive. As soon as the contacted managers realised that part of the research would cover the employees' views on the change, they denied access without considering that the far more important part was related to the process of knowing, which is a less emotionally charged issue for people to talk about. This was characteristic of the relevant hostility with which the author was treated. Following from this, it was easily understood that both companies were experiencing problems with their workforce and therefore considered the presence of an outsider better unhelpful, even when he guaranteed confidentiality and anonymity for the research participants.

The author was still looking for a research site, when he became aware of the case of “BL(UK)” through one of his supervisors of the thesis. The initial point of reference was the branch of the company in Northern Ireland and through the above mentioned contact, during February 2003, a meeting was arranged between the author and the Managing Director in Belfast. In that way, the author had yet another opportunity to negotiate access to an interesting research site.

The meeting took place in a relatively relaxed atmosphere, and it started with the Managing Director giving a brief but interesting presentation on the way in which IUK had managed the process of integration with Bass Brewers. He referred specifically to the management structure that accompanied such a process and to the objectives the company was trying to achieve in terms of managing the integration. Therefore, he mentioned that the integration in Northern Ireland was managed from three perspectives, i.e. physical integration, commercial integration and finally cultural integration. Physical integration concerned the five main functions within the company, i.e. Finance, Sales, Marketing, Human Resources and Manufacturing. Therefore, people from each one of the above functions would form respective teams, the so called “stream teams”, with the objective of ensuring that the physical integration was achieved and that at the same time the company would still be able to deal with the day to day business. Commercial integration would constitute the focus

of the “wave teams” which were cross-functional and involved a lower number of people – all of them in senior positions, including the Managing Director – with the aim to extract the commercial value of the deal. Finally, the Director referred to the issue of cultural integration which would constitute the focus of his attention for the following months, indicating at the same time his preference that the author would get some access regarding the process of physical integration.

The above description allowed the author to have a clearer picture of the situation right after the integration of the two companies. On the basis of that information and based on his own agenda, he explained to the Managing Director the objectives of the research, trying to negotiate access to one of the departments in Belfast. Given the fact that the author was interested to see the extent and the way in which the recent change had influenced the process of knowing within a research setting, he was particularly interested in a department where the nature of the working process requires a substantial degree of interaction among people, so that he could possibly use participant observation and additional interviews to collect data.

Having described those characteristics of a possible research setting, the author was told that two departments in which the integration had had a substantial effect and in which interaction was taking place, were the ones of Manufacturing and Distribution. Unfortunately, when asked if he could get some access to these departments, the Managing Director denied this as the company was looking forward to introduce further changes in those two departments and therefore the presence of a researcher would probably cause some suspicion on the part of the employees. Instead, the Managing Director suggested the much safer option for him of offering access to the finance department, as there were not any particular problems in this department following the integration of the two companies.

Given the fact that the author had made clear that his objective was not to witness the problems of the company but to collect data for his research, he accepted the offer of access into the finance department, knowing though that certain aspects of the research, especially the research methods, would have to be reconsidered. This point was mainly related to the use of participant observation, as it did not seem the best choice for gathering data in such a department. This was due to the fact that the nature

of the job was individualistic, with employees sitting in front of their computers processing data. From what the Managing Director said, it was thought that although certain collaboration/interaction would certainly take place at times it was not a constant feature of the working procedures and therefore the use of interviews as the main method of data collection would probably capture the issues the author was interested in, more effectively than his full time presence in the setting as a participant observer.

However, in terms of using observation, the Managing Director was willing to allow the researcher access to a communication exercise that would take place in March 2003 throughout IUK, to make people aware of the reasons why the company was going to pursue a new strategy following the integration. The details of possible fieldwork in the finance department were to be fully arranged with the Finance Director later on in February, and finally the researcher started the research in this department in March 2003.

The process of collecting data lasted until December 2003, i.e. for 8-9 months, since apart from collecting data in the aforementioned department in Belfast the author tried to widen his range of contacts within the company in order to get access to a different setting as well. This was facilitated through the visits of the researcher to Gloucester, in order to sit in on the above mentioned communication exercise, and also through an interview, at the headquarters of the company in South-East England, with a Finance Director involved in the Belfast project. In that interview, the author managed to find out that another interesting setting would be the Department of Telesales in Glasgow, Scotland. This meeting led to further interviews with people involved in the project of integration in Glasgow, ranging from middle managers to the head of the project and this “snowballing” effect finally secured the author access to the telesales department in Glasgow, in July 2003.

The way in which the job in this department was performed, it was similar to Belfast as individual telebusiness managers were selling products over the phone and managing their customer base through their computers, something that again meant that interviews would be more appropriate than participant observation regarding the collection of data. However, there were certain differences as well, the most important

being that this was a sales environment, more dynamic and directly connected to the objectives of the new company. The process of data collection is described in the following part.

4.4.3: The Research Settings

The finance department in Belfast was the first setting where fieldwork took place and the choice of the setting was the result of negotiating access with the Managing Director in Northern Ireland.

Finance was a large department consisting of many different functions, i.e. data processing, systems management, sales operations, financial control and purchasing and account management. Overall, 59 people were employed, 6 of them on a part time basis, while no unions were recognised. As mentioned above, although people from the various functions shared the same office, the nature of the job did not require them to interact on a regular basis, as they would mainly process data information and produce reports using their computers while occasionally they would check certain facts with each other. Also, due to the fact that this was mainly a support department, the integration did not bring further changes in terms of manpower, and consequently the group dynamics had not been affected and a feeling of job security was evident in contrast to departments such as Distribution where following the integration, discussions on the possibility of downsizing had started taking place.

Therefore, the main issue in relation to the finance department was the introduction of IUKs reporting systems, as a result of the physical integration of the two companies. People in managerial positions had spent a full year preparing for the integration while training on the new systems that the employees would use in order to perform their tasks was a crucial process as well. Consequently, although frequent interaction and collaboration would not constitute a formal part of the working processes, it was thought that the introduction of new systems could give the author an opportunity to look at the effect that such a change might have on the ways of working, but more importantly to identify the extent to which it would require informal collaboration and sharing of relevant knowledge. This was a significant aspect to explore, especially

when taking into consideration the fact that the author would enter the setting only months after training on the new systems had been completed.

On the other hand, the telesales department in Glasgow was more dynamic, directly linked to the objectives of the firm and very close to the final receiver of the product, i.e. the customer. The department consisted of 39 teleaccount managers and was split into four teams, each one of them led by a team leader. Each of the teams covered four different geographical areas in Scotland – East, West, North and South – and all team leaders were reporting directly to the Telebusiness Unit Manager. The department did not recognise any unions and none of the employees was a member of any collective bargaining organisation. In terms of the nature of the job the main task of a teleaccount manager was to sell products over the phone. Within this context, a significant aspect of the telesales work, was the building of a relationship with customers, their education on the newly introduced concept of quality, while also each teleaccount manager was expected to maintain a working liaison with members of the trade team (traditional salesmen).

The operational significance of the department, as far as strategic objectives were concerned, meant that the impact of the integration would be much stronger than it was the case with the Belfast finance department. Therefore, although “BL(UK)”’s reporting systems were also introduced in the Glasgow subsidiary, this was not considered as a great challenge. A far more important issue which differentiates this case from that of Belfast, was the introduction of a new sales model in accordance with the strategy of the new company. Under the new model, there was a shift of emphasis from selling mainly factored products – products that did not belong to the company’s portfolio of brands – and negotiating deals with the customer, to selling mainly the company’s key brands as a quality product, under structured pricing. The emphasis on the concept of quality meant that the employees had to focus solely on the sales of products and not on customer service, i.e. dealing with customer queries and solving problems, as had been the case before the integration. This particular function had been centralised and transferred to Gloucester, where call operators would deal with customers’ queries from throughout the UK. Therefore, the role of the teleaccount manager had undergone a significant change, at least from the point of

view of the more experienced members of the department, who had been working in “O’Hagan” long before the integration took place.

Additionally, a certain amount of restructuring had taken place in the department, as older members had moved to different positions within the new organisation. This had led to the recruitment of several young university graduates, something that was regarded as a happy coincidence given the changes in the content of work (with which – as we will see in the following chapters – many of the experienced employees were struggling) and certainly influenced the group dynamics within the department.

In summary, the two settings differed in many aspects and in combination presented an excellent opportunity to examine the extent to which the merger required the engagement of the participants in informal processes of learning and knowledge sharing and also how those processes were influenced not only by the event of the merger but also by the local workplace context of the settings prior to the merger and the wider sectoral context in which the organisation operated.

4.4.4: Data Collection

As mentioned earlier, the data collection lasted for a period of 9 months, i.e. from the beginning of March 2003 until December of 2003. Within this period, interviews were conducted mainly in Belfast and Glasgow with some additional ones in Gloucester and the company’s headquarters, but time was also spent on the transcription of data, as soon as they were becoming available and also on their initial analysis, so that some basic themes emerging from the conducted interviews could provide material for subsequent ones. Overall, 60 interviews – with the shortest one lasting for 45 minutes and the longest one for 90 minutes – were conducted for the research, 25 concerning the Belfast case and 35 concerning the Glasgow case. Further details for the interviews conducted in each setting are provided in Tables 1 and 2 below.

Table 1: Interviews related to the Belfast case

Note: * denotes that more than one interview was conducted with an individual participant.

Participants	Number of Interviews
Managing Director, Belfast	1
Finance Director, "BL(UK)" Headquarters	1
Finance Director, Belfast	2*
Systems Manager	1
Employees, System Management Section	2
Manager, Data Processing Section	2*
Employees, Data Processing Section	4
Manager, Financial Control Section	1
Employees, Financial Control	2
Manager, Sales Operation Section	1
Employees, Sales Operation Section	4
Purchasing and Account Manager	1
Employees, Purchasing and Account Management Section	3
Total Interviews	25

Table 2: Interviews related to the Glasgow case

Note: * denotes that more than one interview was conducted with an individual participant.

Participants	Number of Interviews
Sales Director "BL(UK)" Headquarters	1
Telesales Line Managers, Gloucester	2
Regional Sales Director, Scotland	1
HR Manager	1
Communications Manager	1
Telesales Unit Manager	2*
Telesales Line Managers	4
Tele-account Managers	23
Total Interviews	35

In addition to interviews, observation of meetings took place in Gloucester and Glasgow and certain internal documents mainly from Glasgow and secondly from Belfast became available for the researcher to use. In what follows, the way in which the research methods were employed is described in detail.

4.4.4.1: Conducting the Interviews

The principal aim of the interviews conducted in Belfast was to gain an understanding of the way in which the members of the department, especially the ones at the middle to lower levels of the hierarchy, perceived the integration and the effect that the introduction of the new systems had on the performance of their jobs. In addition, a further objective was to find out if the challenge of the integration of the two companies had given rise to cases of sharing relevant knowledge in the spirit of a community of practice and how such a process was managed.

In relation to the Glasgow case, again one of the main aims of the interviews was to obtain a clear picture of how the older and more experienced members of the department saw the integration and how they perceived the challenge of working under a different model than before and with new collaborators as well. Similarly, the effect that the change in the ways of working had on the process of knowing was another issue to be covered in the interviews.

As mentioned in a previous part of the chapter, the author used in-depth semi-structured interviews in order to gather the data. Therefore, he was able to cover similar issues – informed by the research questions – in both settings, something that allowed the comparability of the data, but he was also provided with the freedom of adjusting the individual questions to the particular conditions present at each of the research settings. Additionally, the fact that the data collection took place over a period of 9 months allowed the researcher to return to the settings from time to time and conduct some more interviews which shed light on more recent developments or changes related to some of the issues discussed in previously conducted interviews, something that enriched the quality of the data.

With regard to the process of conducting the interviews, the questions asked were of an open-ended nature so that the interviewees could express their thoughts/views on the issues at hand. Each interview started with an introductory question allowing the interviewees to introduce themselves and to say a few words about their role in the company. In the interviews with the senior and middle managers/team leaders, certain questions would be related to the particular role they played, if any, during the period of the integration. They would talk about their experiences, the main challenges they had to face, in relation to their subordinates as well, before and after the integration, and what they did to overcome these challenges. Also, in many cases they would comment on what remained to be done so that certain objectives can be met. Additionally, in several interviews the managers would be asked if they were aware of their employees engaging in knowledge sharing as part of their everyday work.

The employees – who were not involved directly in the integration project – were asked to share their experiences from this period of time, and also to comment on how the change, post-integration, impacted on them performing their jobs. In addition, the employees would be asked if they were working together in an informal way, sharing knowledge in order to respond successfully to the new challenges they faced after the integration, i.e. the use of the new systems in Belfast and the new sales model in Glasgow. Also, the interviewees would be probed to describe the above process in more detail. However, it was very important that those questions were asked in a clear and simple way and therefore the researcher avoided the use of jargon that would confuse the interviewees, such as communities of practice, tacit and explicit knowledge etc.

Furthermore, it is needless to say that although the researcher had a list of certain questions to cover he was more than happy to explore in more depth certain issues of interest that were emerging from the interviewees' accounts. Nevertheless, the list of questions, including probing ones, proved to be useful on occasions where the interviewees' long answers took the discussion into areas which would not offer much insight to the researcher, for example detailed descriptions of the IT reporting systems in the Belfast case. In this case, the author did not interrupt the interviewees' answers, something that would signify that he did not value their input, but at the end of their answer, he would probe them to comment on a point previously stressed by him, or he

would go quickly to the next question on the list, thus leading the discussion back to issues of interest.

All managers interviewed were comfortable to reflect on the times prior and post integration and the main issues they had had to overcome. On one particular occasion, there was a slight difference in the way a senior and a middle manager described the employees' reactions to some of the issues discussed, with the former describing it as "resistance", and the latter choosing the milder word "complaining", probably in order not to give the impression that the company struggled to convince the employees of certain decisions made that related to the integration. However, even on this occasion, the accounts given by the interviewees – also tested by checking other interviews – did not differ from each other.

In addition, while one might expect that the employees might be reluctant to reveal the way in which they interpreted the changes affecting them as a result of the integration, they were relaxed while talking to the author and surprisingly honest about their personal point of view on certain issues. Only in one or two cases, the interviewees needed the reassurance of the author that the recorded interviews were not going to be reviewed by any other person than himself, in order for them to go on to comment on certain issue related to their superiors. Also, all the employees interviewed were very willing to describe in detail the process of collectively sharing relevant knowledge, and how they would apply it performing their individual jobs.

4.4.4.2: Conducting Non-Participant Observation

As mentioned previously, apart from conducting interviews, the researcher had the opportunity to conduct non-participant observation. This took place in Gloucester where the author visited three times to attend a communication exercise related to the new strategy of the organisation, and also in Glasgow, where he observed several team meetings related to the objectives of the department in terms of sales and market share. In these cases it was well known that the author was conducting research but his presence in the settings would not disturb the proceedings of the meetings. The participants felt very comfortable to be involved in discussions on certain issues, something that supported the researcher in the task of taking notes and observing for

interesting behaviours. At the end of almost every meeting, the author had the chance to open informal discussions with the people who were in charge of the meetings, i.e. the team leaders in Glasgow, and the training managers in Gloucester, in order to clarify certain points that had come to his attention. The main contribution of the data gathered through observation was that this allowed the researcher to verify certain themes that had emerged from the previously conducted interviews and also to identify new issues that would guide the subsequent ones.

Although a more detailed description is provided in Chapter Four, at this point it is enough to say that the aim of the communication exercise attended in Gloucester, was the visual representation of the new strategic vision of the company. In this case, the author took notes covering the main reasons for which the company was adopting a new strategy and how those were interpreted by the participants, i.e. the employees, since the session included an open discussion between the training manager or a team leader and the various participants. An additional aim of these sessions was to communicate to people how the company was intending to make the vision come to life and to make them reflect on how they themselves could contribute to that objective as individuals and collectively as teams. In the arguments that the employees would build, the author would try to identify the possible existence of a common mindset which might have caused them to provide similar accounts on how they intended to contribute to the company's objectives. This was the case on some occasions and taking that idea as a starting point, the author would try to explore further in subsequent interviews the extent to which this particular exercise was informing the approach to work that the employees were adopting in both research settings.

On the other hand, the team meetings observed in Glasgow, concerned the departmental activities and were providing an overview of where the teams were at with regard to those. In these meetings, the author had the chance to witness the ways in which the team members would sometimes refer to their individual experiences in order to give their colleagues a clear picture of how certain ideas – regarding the sales of products – were received by their customers. Also, the author tried to look at the way in which issues covered in previous interviews – for example, issues related to group dynamics, resistance to certain initiatives and knowledge sharing – would

influence the way in which the team members interacted during the meetings. In this way, the author achieved the objective of developing new insights but also enhancing the reliability of data, “checking” in that way previously given accounts on certain issues in the setting.

Finally, several documents, mainly from Glasgow and secondly from Belfast, became available for use. In both settings, some of the documents were relevant to certain activities the employees in those departments were involved with, while in Glasgow further documents also included an assessment of the integration project and hard copies of workshops – which had taken place few months before the fieldwork started – related to the change in the telesales role. The provided documents were used in a similar way to the data derived from observation, i.e. mainly to “test” the reliability of the accounts provided in the interviews, and, as some of them were referring to events that took place prior to the involvement of the author in the settings, they contributed - together with the conducted interviews - towards obtaining a temporal view of the issues under research.

Having outlined how interviews and observation were employed in the context of the research the next section concerns issues of data analysis.

4.4.5: Data Analysis

As the previous section has showed, the research has been inductive in nature and this element has also characterised the analysis of the data. As soon as the first interviews had been conducted, the author began thinking about the data, engaging with initial coding, a term that according to Lofland and Lofland (1995, p.192) denotes “the emergent induction of analysis”. Thus, the main objective of this process was to make sense of the data by grouping them into several categories. Some of the categories created, following the collection of a first set of data in both settings, were “knowledge sharing”, “workplace interaction”, “impact of the merger on work processes” and “operationalising change”.

Gradually, and as the process of data collection was progressing, the author followed the logic of “abductive reasoning” discussed earlier in the chapter. As Coffey and

Atkinson (1996, p.156) remark, abductive reasoning requires “a repeated interaction among existing ideas, former findings and observations, new observations and new ideas”. Thus, abductive reasoning facilitated the transition from “initial” to “focused” coding where the objective is to review the categories created at the initial stages of analysis “in terms of which codes are being used more than others and which topics and questions are being treated more than others” (Lofland and Lofland 1995, p.192). Through multiple readings of the interview transcripts and the observation notes, the categories identified in initial coding were revisited, compared and linked and finally a more clear understanding of the data began to emerge. As a result of this process, the author was able to identify the following themes:

- The significance of the meaning of practice
- The nature and the outcomes of knowledge sharing
- The impact of the workplace context
- The impact of the sectoral context
- The influence of micro-politics
- “Managing” knowledge sharing in communities of practice

An issue, worth mentioning in relation to data analysis is the potential use of software programmes. According to Lofland and Lofland (1995, p.201), there are mainly two aspects to be considered in relation to this issue, i.e. data collection and storage and data analysis. With regard to the former, it is often noted that computer applications provide an advantage as they facilitate the sorting of data making them more manageable. However, with regard to the latter, it has been remarked that the analytical side of fieldwork “has more to do with synthesis and pattern-recognition than with the mechanical manipulation of data” (Agar 1991, p.193, cited in Lofland and Lofland 1995, p.201), and thus the use of relevant software can be proved confining. In particular, the process of abductive reasoning which as we saw requires an interplay between previous and current findings and ideas from relevant literature, might be hindered from the fact that the use of software programmes implies a linearity in data collection and analysis (Coffey and Atkinson 1996). Given those observations, the author opted for manual coding as he thought that would be more beneficial in relation to the process of interacting with the data.

In closing this section, it is useful to remark that the data are presented in a way that mirrors the inductive nature of their collection and analysis. Therefore, Chapter Five provides a background on the case of the merger, its rationale, structure and main issues while Chapter Six examines in detail the emergence of knowledge sharing processes in the two settings along a number of issues outlined above, e.g. the influence of the sector, the potential for conflict etc. Finally, Chapter Seven takes a closer look at the process itself and its outcomes.

4.5: Concluding Remarks

The objective of this chapter was to provide the reader with an understanding of the key issues related to conducting research on the emergence of communities of practice in the context of a merger. More specifically, the author has tried to outline the main aspects of the critical realist ontology – that has informed the research – and accordingly to provide reasons for opting for a case study design and combining different qualitative methods, namely semi-structured interviews, observation and document analysis. Background information on the site and the specific research settings has been presented with a reflection on the process of data collection and analysis.

However, in closing this chapter it is perhaps fitting to provide some reflective points on how the ontology outlined in this chapter might have impacted on the nature of the research, the relation between the researcher and the interviewees and the subsequent presentation of the thesis' argument. Thus, with the first point in mind, it has to be acknowledged that the adoption of a critical realist ontology has influenced the approach that this research has taken towards understanding informal knowledge sharing processes. That is evident in the fact that the author has chosen to examine those processes in the context of a merger. As mentioned in the introductory chapter this approach was partially justified by the idea that it might facilitate the task of exploring how those processes might be influenced by the wider social structures in which they are embedded.

Apart from influencing the overall approach of the research, the ontology influenced to a certain extent the way in which the author related to the interviewees in the

interview process. As mentioned earlier critical realists accept the fact that there exists an external reality independent of our knowledge of it but they do not adopt the flat ontology of naïve empiricism which leads to a belief that an accurate and objective picture of reality can be attained through research. Thus, interviewees were not seen as informants that would provide all relevant information about knowledge sharing understood on the part of the researcher as having a fixed existence (Mason 2002). That meant that although critical realism refutes the constructionist idea that knowledge and reality can only be understood as discursive constructions, the author was of the opinion that knowledge sharing and change are socially produced processes that unfold within specific circumstances. Subsequently, interviewees were treated as participants in an effort to understand how those processes have unfolded (or not) in specific contexts.

The use of semi-structured interviews facilitated the effort of the author to be receptive to the interviewees accounts without imposing perhaps (through a very rigid interview structure) his “preconceptions” of what knowledge sharing is and how it might develop in organisational settings. There was an interest in knowledge sharing which guided the interviews but there was also enough space created for the interviewees to provide their own stories and understandings with regard to the process as taking place (or not) in the merger context. This is not to say that both sides did not bring bias into the interview process. However, it is quite an obscure matter to precisely specify (especially on the interviewer’s part) which personal biases might have influenced the relationship with the research participants. As Cunliffe (2003, p.995) has stressed, post hoc researcher accounts on how their beliefs, perceptions, etc have influenced the research might be misleading and can deceive the reader into assuming that self knowledge is both possible and authentic.

What is a more obvious matter is again the impact that the adoption of a critical realist perspective has on the presentation of the thesis’s argument. The issues covered in the data analysis chapters (managerial action, micro-politics, etc) are all derived from the participants’ accounts. However, the view from which they are presented and discussed is influenced by the adoption of critical realism as the ontology of research. An example would be the use of the concept of generative mechanisms or the way workplace and sectoral contexts are treated (i.e. as having a real influence in the way

social interaction occurs). Researchers adopting a constructionist or a positivist perspective would have approached those issues in different ways. In summary, what has to be acknowledged is that the way the research has been conducted and presented is compatible with a critical realist ontology but is open to different interpretations by readers that are coming from different ontological positions.

CHAPTER 5: THE MANAGEMENT OF INTEGRATION AT “BREWERS LIMITED (UK)”

5.1: Introduction

In this chapter, the emphasis is placed mostly on the macro-organisational level, examining in further detail the physical integration of “Brewers Limited (UK)” and “O’Hagan Brewers”. The chapter consists of the following sections: Firstly, an introduction into the main characteristics of the UK brewing sector. Secondly the presentation of further information on the backgrounds of the three companies that finally constituted “Brewers Limited (UK)” as well as details on the formation of the new company itself as it was influenced by UK legislation. Also, taking a critical realist view, this focus on the sector, its main structural changes and the links with the three companies’ historical backgrounds will help situate micro-level social interaction into a broader structural context, facilitating the presentation of the data in the next two chapters.

The first section of the chapter is concerned with the details of managing the operational integration between “BL(UK)” and “O’Hagan Brewers”. The rationale for the integration project is presented together with information on its structure and on the main issues and challenges that derived from the process of the integration. A separate section examines in detail the effort of the new company in communicating its vision to its employees, almost immediately after the operational integration had been completed. In a link to Chapter Two, this specific activity can be seen as an engagement of senior management with what Pettigrew and Whipp (1991) have characterised as the educational aspect of change. The chapter closes with a few remarks that set the scene for the discussions in Chapters Six and Seven, as it will be shown that some of the issues presented here influenced the emergence of communities of practice in the two workplace settings following the integration project.

At this point, it needs to be stressed that, as the chapter concentrates on the management of the integration project and the issues at an overall organisational level, a significant amount of the information presented here comes from interviews that the author conducted with several senior managers directly involved in the project



in both Northern Ireland and Scotland. This information helped the researcher gain insight into some of the details of the project, from the point of view of senior management, but it is also contrasted by further interviews from senior to middle level thus giving a more rounded view of the issues presented here.

5.2: The UK Brewing Sector: Main Characteristics

Brewing constitutes the UK's largest drink sector, with beer accounting for an estimated 38% of consumer spending on drink and the beer market being worth £17.7bn in 2002, although market value had decreased to 15.1bn by the end of 2003 (Key Note Market Report 2003, "Brewers Limited (UK)" Market Overview 2004). Traditionally, UK brewers were focusing on the production of top fermented dark beers, i.e. bitter, brown ale, mild ale and stout but over the years there has been an increasing demand for lager and premium lager brands (mainly of foreign origin) up to the point where lager had risen to a 64.7% of the UK beer market by the end of 2002.

This trend has undoubtedly influenced the structure of the brewing sector. Therefore, while very early on brewing was a fragmented industry characterised by local demand for local brands, the shift of demand from domestic beers to lager forced many regional brewers to cease their operations and it gradually led to consolidation at a national level with only five brewers controlling over 90% of the beer market by the end of the 1990s. Those dominant brewers were licensees of the top international lager brands in addition to brewing their own products.

However, although it is estimated that 28 breweries were closed in the UK in the period between 1990 and 1999, the vast scale of the beer market meant that there was still room for dozens of small micro brewers to operate. Indeed, consolidation through mergers or acquisitions was also taking place at the regional level, with several regional brewers still providing a strong source of competition, bolstered in nearly all cases by managed or leased estates (pubs). These estates frequently represented and underpinned more than half a regional brewer's total volume output and it is estimated that by the end of the 1990s 23 regional brewers had estates of 100 or more outlets.

Another early characteristic of the sector was vertical integration, i.e. major brewers also being the owners of their own retail outlets (as was the case with regional brewers), mainly pubs where the bulk of their products was sold. However, this particular feature also came under pressure in the late 1980s.

In 1989, in particular, after an investigation of the UK beer market, the Competition Commission found that a complex monopoly situation existed which operated against the public interest in the following ways: The price of a pint of beer in a public house had risen too fast in the previous few years and the high price of lager was not justified by its production cost. There was an excessive variation in wholesale prices between different regions of the country. Additionally, consumer choice was restricted as a) one brewer did not usually allow another brewer's beer to be sold in the outlets he owned and b) because of brewers' efforts to ensure that their own brands of cider and soft drinks were sold in their outlets. Finally, tenants (pubs) were unable to play a full part in meeting consumer preferences, both because of the tie and because the tenant's bargaining position was so much weaker than his landlord's (brewer). Also, as a result of the particular structure of the market, independent manufacturers and wholesalers of beer and other drinks were allowed only limited access to the on-licensed market Competition Commission Report 2001 (2001).

Therefore, in July 1989 the British Government passed legislation known as the "Beer Orders" in order to make the market more competitive and to remedy the public interest detriments identified by the Competition Commission. This piece of legislation put a limit on the number of on-licensed premises which any brewer (usually the major national brewers) may own, while additionally it required that 1) tied customers must be free, from 1 May 1990, to buy at least one brand of cask-conditioned beer from another supplier and 2) such customers must also be free, from 1 May 1990, to buy non-alcohol and low-alcohol beers and non-beer drinks from suppliers of their choice. Also, there was the requirement that one-half of the excess of the brewers' estates over 2000 premises must be untied by 1 November 1992 (Competition Commission Report 2001).

The legislation did not impact strongly on regional brewers – as seen above regional brewers were still owning several retail outlets – mainly due to their size, something

that helped keep them competitive in a market dominated by major national brewers. However, the legislation changed the structure of the market significantly because a) it reduced to a great extent the vertical ownership links that characterised the major brewers' businesses and b) over the years it led to the emergence of independent pubcos which, by 2000, were accounting for approximately 50 percent of all UK pubs and were quite powerful in negotiating supply agreements with major brewers. As many of the largest UK brewers had already developed into diverse groups in the 1970s and 1980s, with interests mainly in the hospitality and entertainment business, the impact of the legislation offered them an extra motive to leave the brewing industry when foreign buyers showed an interest.

Indeed, this process culminated with the acquisition of two large UK breweries by two foreign brewers in the early 2000s. This acquisition and its results will constitute the focus of the next part of this chapter. With these acquisitions, the leading brewers in the UK are of foreign origin with the exception of the current market leader. Those events have turned the UK into a highly international market as three out of the top four brewers are subsidiaries of a Belgian, an American and a Danish company. Additionally, the top international brewer, also American, had a direct presence in the UK market, although its market share was far below those of the current leaders, and two more of the top eight brewers at the global level were present in the UK market through license agreements.

It is also important to stress that in addition to this tendency towards further consolidation, the dominant players in the UK brewing sector have selected to push a small number of key brands and focus on their core drink, thus deepening instead of broadening their portfolios. Subsequently, as a result of a strategy of building pillar brands, the traditional notion of diversification that characterised the sector in the past has now been abandoned. Source: Key Note Market Report 2003 (2003).

In terms of product distribution, one of the most significant changes that brewers have to come to terms with, is the gradual decline in beer consumption by volume (wines constituting the main rival), especially on the on-trade (pubs etc.), with the simultaneous growth of the take-home market. However, the on-trade remains the dominant channel for distribution, generating annual sales of £12.7bn at the end of

2003 – more than five times the value of take-home sales (“Brewers Limited (UK)” Market Overview 2004). Additionally, according to the Key Note Market Report 2003 (p.54) take-home has made its major gains in volume rather than in value share. Intense competition between multiple grocers, the growth of own labels and multi-pack special offers have restrained value growth in the off-trade.

Declining beer volumes in the on-trade have been accompanied with sharp price increases so that market value continues to grow. It is estimated that prices in the on-trade rose by 10% in the period between 1998 and 2001, while off-trade prices only rose by 3%. Apart from the price increases on the equivalent products, another dominant trend in the on-trade has been the shift towards drinking premium quality brands – usually premium lagers that are bought in smaller quantities than standard beers.

Generally, the fact that there is a growing gap in pricing and a closing gap in quality (due to product and packaging innovation) between the on-trade and the take-home markets is an issue that needs to be addressed by major brewers, as they still see on-trade as the main market for generating the bulk of their sales (“Brewers Limited (UK)” Market Overview 2004).

5.3: The Formation of “Brewers Limited (UK)”

As mentioned in the previous section, currently three out of the four largest brewers in the UK (altogether controlling around 76% of the beer market) are of foreign origin, with two of them coming from Europe and one from the US. The main event that led to this particular structure was the effort of a Belgian company, “Brewers Limited”, to become the UK’s leading brewer by acquiring two of the largest UK companies at the time (early 2000s).

This section provides some background information, with regard to the three companies involved in the formation of “Brewers Limited (UK)”, as well as to the rationale behind those two acquisitions on the part of “Brewers Limited”.

5.3.1: “Brewers Limited”

“Brewers Limited” was formed in 1987 by the merger of two Belgian brewers. Brewing constitutes “BL”’s sole area of operations, as the company has not shown any interest in retailing through own vertically-integrated outlets.

Over the last ten years “BL” has emerged as a strong global player, through a series of acquisitions, thirty in total, in a number of Central and Eastern European countries, notably, Hungary, Croatia, Romania, Bulgaria, Ukraine, Montenegro and Russia, as well as in China and Korea. However, its most prominent acquisition was that of the Canadian brewer Johnson in 1995, which transformed the company into the fourth largest brewer in the world.

By the end of 1999, “BL” operated in five geographical regions – North America, Western Europe, Central Europe, Eastern Europe and Asia Pacific. Its products reached the markets of 110 countries and it employed around 24.000 people. It had three major international brands, together with a wide range of national brands, thus styling itself as the “World’s local brewer”. That was also reflected by the fact that it owned the market leading brands in Canada, Belgium, Bulgaria, Croatia, Hungary and the Nanjing region of China.

“BL”’s involvement in the UK market, prior to the acquisitions of the two companies discussed below, began in 1976 through a license agreement with “Britco” to brew and distribute “BL”’s flagship brand “Santa Helena”, in return for a stream of royalty payments (International Directory of Company Histories).

5.3.2: “Britco”

“Britco” was founded as a brewery in London in 1742, but by the mid 1990s the company had diversified and become one of the leaders in the leisure industries of the United Kingdom. At that point (1995-96), “Britco” was employing around 75.000 people and generated sales of £2.75 billions. Only 31 percent of sales and 14 percent of total profits came from brewing operations; the remainder of the revenues and profits were derived from “Britco”’s various retail sectors, including pubs,

restaurants, coffee shops, wine and liquor stores, hotels, health and fitness clubs, and children's nurseries.

Diversification had slowly began in the early 1960s when the company acquired a chain of wine retail outlets. However, declining volumes in beer consumption led to the strengthening of that process in the 1970s with the company building up a wines and spirits division. Food was added in 1974 with the opening of restaurants and pub food outlets. "Britco" continued bolstering up its restaurant holdings in the 1980s and 1987 saw the entry of the company in the hotel industry.

The diversification programme gained further momentum in 1989, when management announced that the company would focus on the leisure retailing industries in general, with special emphasis on areas such as travel and eating out that were projected to grow rapidly towards the end of the century. Brewing was still to be included in the mix but it would continually account for smaller percentages of profits.

These decisions were further reinforced by the 1989's "Beer Orders" (previously mentioned) which forced large national brewers to drastically reduce the amount of their tied retail outlets (pubs) or to exit brewing. "Britco", itself operating under such a regime (vertical integration), pulled its pubs out of its brewing division, selling 1.300 of them and leasing 1000 on a short term basis, therefore gaining some cash to invest further in its leisure business.

However, in spite of the increasing emphasis on its leisure division, "Britco" was the third largest brewer in the UK (15% market share), at the time of its acquisition by "Brewers Limited", operating three breweries in the UK and employing 3.900 people. Its biggest brands were "Santa Helena" (under license from "Brewers Limited") and "Hoerkonnen" (under a similar agreement with the Dutch brewers "Hoerkonnen BV") (International Directory of Company Histories).

5.3.3: "O'Hagan PLC"

Founded in 1777 as a brewery in the ancient town of Burton-on-Trent in Staffordshire, "O'Hagan PLC" has grown into a diversified leisure-oriented group of

companies, operating in five main areas: brewing, restaurants and pubs, entertainment and gambling, hotels and soft drinks. At the time of the acquisition the leisure division included more than 2.400 pubs and restaurants throughout UK, 800 retail betting shops, while the company also owned or franchised more than 2000 hotels in over than sixty countries. This diversity – largely engineered during the later decades of the 20th century – was a new development for “O’Hagan”, known for most of its history as a brewer and pub owner.

By June 2000, two months before the acquisition of its brewing division by “Brewers Limited”, “O’Hagan PLC” had a market capitalisation of £6.5 billion, employing around 90.000 people. At the same time, “O’Hagan Brewers” (the brewing division of the company), were the second larger brewers in the UK (with a market share of 25%), operating six breweries throughout UK and employing 4000 people. Its principal brands were “Smith”, “McManus” and “Whitley’s” – all lagers – while the company also had a presence in the Czech Republic.

As mentioned above, diversification began in the early 1980s with the creation of a leisure division. However, its subsidiaries, including a hotel business and betting shops, contributed less than 20% to the overall profit, making “O’Hagan”, one of the least diversified of the major UK brewers at that time. In the late 1980s however, “O’Hagan’s” leisure activities assumed a greater role in the company. The hotel division was enjoying healthy financial gains and the company embarked on a series of international acquisitions that would turn it into a prominent hotelier.

Although the brewing division was also bolstered through the purchase of majority stakes in three Czech companies, by 1995 brewing was accounting for only 32 percent of total profits, with taverns at 23 percent, entertainment/gambling at 21 percent, hotels at 13 percent, and soft drinks at 11 percent. Towards the end of the 1990s, whilst “O’Hagan” was enjoying a strong position in brewing, it saw little scope for growth strategies that would add significant value to its brewing business, other than domestic consolidation with regulatory approval a significant risk. An attempt of the company to acquire another UK brewer was blocked by the regulative authorities in 1997 and “O’Hagan” was ready to explore the possibility of achieving a sale of its

brewing interests in the UK and the Czech Republic in order to focus on its hotel and leisure interests (International Directory of Company Histories).

Additionally, “O’Hagan” had already started separating its brewing business from its pubs and hotels, thus breaking the vertical integration of the two businesses (also as a result of the 1989 Beer Orders). Therefore, the company perceived that a merger of its brewing interests with another brewer would allow the creation of synergies and enable the company to realise a higher price for its brewing business. Also, such a move would allow “O’Hagan”’s pub business greater versatility with regard to the purchase of beer (Competition Commission Report 2001).

5.3.4: The Acquisitions

As seen in the previous sections, both “Britco” and “O’Hagan”, the third and second largest UK brewers respectively, had decided to demerge their brewing divisions, due to legislative pressure and decline of the overall market for beer (although lager and premium lager were still the main areas of growth). Given the intentions of the two corporations, “Brewers Limited” saw an opportunity for entering the UK beer market, the second largest in Western Europe.

Therefore, “BL” acquired the brewing division of “Britco” in May 2000. This followed almost naturally, given the long term ties of the two companies - “Britco” being the licensee for “Santa Helena” in the UK. This, the first of two acquisitions, led to the formation of “BL(UK)”. With the acquisition of “Britco”, “BL” gained a direct presence in a major market (UK) whose strong reputation for local speciality beers and ales matched the company’s approach to brewing (namely developing strong national brands alongside its flagship brand “Santa Helena”).

However, this was seen as only the first step towards dominating the UK beer market. The second was, of course, the acquisition of “O’Hagan Brewers”. This process was crucial for the company, which was constantly watching for opportunities for expansion internationally, given the rapid consolidation at the global level. During the twelve months prior to “BL”’s entry in the UK market, 8 significant transactions in the form of mergers, acquisitions and joint ventures had taken place in Spain, Brazil,

France, Portugal, Norway, Sweden, Lithuania, Denmark and the Czech Republic, with the majority of them being cross-border reflecting the emergence of a small number of global brewing enterprises.

In addition to the rationale of strengthening its international position, “BL” saw a commercial rationale for acquiring “O’Hagan Brewers” for the following reasons. Firstly, due to “O’Hagan”’s involvement in the Czech market, “BL” would gain presence in a country where it had been inactive in the past. Secondly, through the combination of the two businesses a number of synergies could be achieved which would lead to a significant amount of cost savings and an opportunity to increase brand investment and maintain diversity of brands. Thirdly, there was a complementarity in the product ranges of the two businesses, as “BL(UK)” (former “Britco”) did not own any major standard lager, while “O’Hagan Brewers” lacked a premium lager brand. Fourthly, “BL”’s international reach meant that “O’Hagan”’s products could find a much larger audience.

Finally, “BL(UK)” acquired “O’Hagan Brewers” in August of 2000 and this transaction transformed “Brewers Limited (UK)” into an entity that was controlling almost 40% of the UK beer market, thus being the market leader and dominant player. However, the UK Government decided that this was too strong a position for the company, and therefore in October 2001 the Competition Commission gave “Brewers Limited (UK)” until February 2002 to sell either “O’Hagan Brewers” in its entirety or the “Smith” beer brand (part of “O’Hagan”’s portfolio) to reduce its dominance in the marketplace. The company chose the second option and at the end of 2001 the “Smith” brand was sold to the US company “Phelps Ltd”, something that led to the market structure described above. “Brewers Ltd UK” retained the “O’Hagan” brand name plus the “McManus” beer brand, dominant in Scotland. By the end of 2003, “Brewers Limited (UK)” was controlling 20% of the market, thus being the second largest brewer in the UK, with “Santa Helena” still the top UK brand, and leader in premium lager, the market’s main growth area.

5.4: Managing the Operational Integration

This section aims to present the main aspects of managing the operational integration of the two companies, i.e. “BL(UK)” and “O’Hagan Brewers”. It is divided into three parts, the first detailing the rationale and the main objectives of the integration project, the second presenting its structure and the third concentrating on the main issues deriving from the project, particularly issues that affected the integration of people besides that of systems and procedures.

At this point, it is appropriate to mention that operational integration in this context refers to the adoption of systems and procedures by the acquired business, while a further aim was to keep the business operationally viable, during this period of time. A project running in parallel to that of operational integration was commercial integration with the principal objective to extract the value of the businesses coming together. Here, it should be stressed, that following the discussions with the senior management of the new company, the researcher gained access to the organisation with regard to the operational integration only (although some background information was given to the author at an early meeting with the director of the Northern Irish subsidiary). Thus, the bulk of information presented here concerns the operational side of the project rather than the commercial one.

5.4.1: The Rationale for the Project

With the emergence of “Brewers Limited (UK)” in 2000, on completion of the “Britco” acquisition, the new company maintained the operational characteristics of its predecessor (“Britco”). That meant that there was no direct involvement of Belgian management in the operation of the new British subsidiary and although a new strategic vision was to be adopted by “BL(UK)” (more details to follow in a later part of the chapter), the systems and procedures of “Britco” remained intact and its personnel was still at the helm of the management of the new company.

Therefore, when the details of the “O’Hagan” acquisition were finalised, it seemed sensible to follow the same processes regarding the physical integration of the two companies. The rationale of the complete project and its main objectives are described

by Paul, one of the board members of “BL(UK)” and responsible for the integration of the Scottish part of the “O’Hagan” business. He explains:

“The project came about because “BL(UK)” was able to integrate the Scottish business that previously belonged to “O’Hagan Brewers”, the Irish business in Northern Ireland and the Southern Irish business based in Dublin, as well as the brand businesses in England and Wales. These were the results of a failed acquisition that “BL(UK)” had made of the entire “O’Hagan” business. This was the element that the Competition Commission allowed to go. The project therefore was to join those businesses to the existing “BL(UK)” business. The brief that we were working on was to use the same systems and processes that existed in the mother business. So, to join the businesses we had to use systems that existed here. The majority of the project was quite hard functionally driven and was very much about processes and systems but at the same time we recognised huge change project was running in parallel with everything we were doing. And that was to make sure that the people who were joining the businesses, actually joined and were willing, enthusiastic, motivated wanted to be part of what was happening. So, one of the key success criteria that we set was that from before integration and post integration the satisfaction scores people had in the business would not depreciate, we would not have those declined.”

The objective of keeping people motivated and enthusiastic throughout the integration project was quite ambitious especially given the fact that the short timescale within which the project should have been completed, indeed necessitated a strong focus on systems and processes. Additionally, further challenges in achieving those objectives came from the fact that the “O’Hagan” staff had very set ideas on how they saw their company. Linda, a middle manager from the former “Britco” company involved in the integration project concerning the telesales department in Scotland, gives the following account:

“People from “O’Hagan” perceived their company as a very successful one and that drove certain behaviours. And of course, the fact that some of the “O’Hagan” management had spread the word that the “BL(UK)” systems were not as good, even before the project had started, did not help much either.”

Those two points were quite important and they impacted to a great extent on the people integration as it will be shown later on.

5.4.2: The Structure of the Project

The project discussions started in November 2001 when the acquired business was still operating using “O’Hagan’s systems and procedures. The project itself consisted

of two phases. Phase one would signal the separation of the acquired business from “O’Hagan Brewers” and this was to be completed by February 2002. At that point, the actual implementation and adoption of the “BL(UK)” systems and processes began and it was to be completed by October of 2002. The only exception was the Southern Irish business where integration was to be completed by February 2003 because the different currency made the implementation of Euro compliant systems necessary. John, finance director in Belfast and responsible for a great part of the integration in both Northern and Southern Ireland explained that:

“this deadline of November 2002 was imposed by “O’Hagan”. They said we are only giving you 12 months use of our systems, you must be off our systems after 12 months and there was nothing we could do about it. We had no choice over that.”

However, once the issue of selling part of the “O’Hagan” business was resolved and “BL(UK)” were free to start implementing the actual integration, diffusion of relevant information and involvement of the staff of the acquired business was seen as critical in actually achieving the two objectives mentioned above, i.e. successful integration of systems and procedures as well as people. The director responsible for the project in Scotland mentions again:

“The first thing that we did was around communication. It was to give people a very clear message, about the way we wanted integration to happen. And there were a lot of “soft” messages there. They were about the style of doing this, and the style was displayed as an involving style, it was a listening style. We wanted to hear what they had to say, we wanted to understand their concerns, it was a consultative style. So that was a first step, tell them what is going to happen and about the way we are going to do it. The second was the sort of enlistment of people from the joining businesses into the project team. So, it stopped being them doing something and it became us doing something. So, we involved people from the Scottish business, people from the Irish business and we took them into roles within each of the project teams. In many ways, the involvement was that the people who would be actually doing things, were the operators at a relatively low level... So, we dropped them in, to help us develop a plan, develop a process for putting into place. This is the new way of doing things, and the brief to them was, you know this business, so we understand the “BL(UK)” processes but you are experts on the Scottish business or the Irish business, so in any meeting your role is always to be the protector of the interest of those people, we expect you to actually stand up for their rights almost.”

The objective to involve people from the joining businesses, mainly those at the middle to lower levels, who had the knowledge of how different areas operated in the “O’Hagan” days led to the project being structured in the following way. At the top of

the organisational pyramid there were three steering groups overseen by the CEO of “BL(UK)”. The leading steering group was that of “BL(UK)” (with the headquarters based in (South-East England), and the other two were the ones of “O’Hagan” Scotland and “O’Hagan” Ireland (including Southern Ireland), where the main participants were the members of the respective boards of directors. The main task of these steering groups was to oversee the communication related to the project, i.e. things to change and key dates, aiming at the new organisation as a whole. Moving towards the middle/lower levels of the hierarchy within the actual project, the joining of systems and processes was to be carried out by the physical integration teams of the three companies (“BL(UK)”, “O’Hagan” Scotland and Ireland). Those teams were called “stream teams” and they were formed around the five different functions in each setting, i.e. finance, sales, marketing, manufacturing and human resources.

The main task of these teams was to keep the business afloat through this period of intense project activity, i.e. to make sure that no disruptions occurred with regard to the ability of the company to receive orders, process them and deliver the product successfully. At the same time, the stream leaders – mainly line managers from each one of the five sections and reporting to their departmental manager or director – were responsible for communicating to their employees the specific changes happening in their area of expertise and also for helping in the employees’ training in the new systems and procedures. Thus, through the tasks undertaken by the “stream leaders”, the new company had secured the involvement of people from the lower levels in the project. In parallel to the “stream teams”, there were “wave teams”, namely teams with the responsibility to extract the commercial value of the deal, i.e. to make sure that the *one* new company was of the same value as the three individual ones coming together. However, a difference in comparison to the “stream teams” was that the “wave teams” were cross-functional in their operations and consisted exclusively of a few senior members of the respective boards.

The integration of systems and procedures was completed by October 2002 and the perception of the senior staff involved in the project was that the participation of the middle level staff of the acquired business – although not without issues or problems – played an important role in making them feel part of the new company. Paul, the director of the Scottish side of the project, describes this process as follows:

“Because you have involved those people you have to listen. So, once you have listened, you actually may have to go back several times down the route in order to be able to move on. So, the negative side is that you actually put a lot of debate and argument in. So you always have to keep on arguing that this is the way we are going to do it, you cannot change this but you can influence that. But that is quite a long process but what you achieve by taking that process is a very strong buy-in. When we started, the teams in Scotland or the teams in Ireland, you could see two teams with a gap between them. By the time we had been running for about three months, what you had was two teams that they were in this together. You could not put a piece of paper between the two. And this is an incredibly strong thing to achieve. When you achieve that, you know you are going to succeed.”

An extra element which was seen by the senior staff as reinforcing the feeling that the joining business were sharing the goal of achieving high quality was the introduction of new “BL(UK)” products – particularly the “Santa Helena” brand – in the former “O’Hagan” business. Richard, director of factored products in the sales department of “O’Hagan” Scotland and responsible for customer communication during the integration says:

“What we had before the integration is...McManus lager was absolutely dominant in Scotland, huge market share. I thought what we did not have in Scotland before was a quality premium lager, that’s “Santa Helena”. Now we have the best two brands, so given the beer market is in decline and the premium lager is in increase we are in a position of having the best two brands in the market in Scotland, so from a sales perspective that’s a wonderful story. It’s called the dream partnership, McManus lager and Santa Helena. We brought Santa Helena and as a result of that we had new business coming in, so there are good things coming out of that.”

Paul adds along the same line of argument:

“We have actually improved the distribution of the McManus brand in Scotland. It’s actually in wider distribution now as a result of being able to work with Santa Helena. We always talked about the dream partnership of those two brands, so if you have the brands links and the systems links it’s not quite as difficult for people to actually feel that they are acting together as well.”

Although this was true to some extent at least for the period immediately after the integration, five or six months later Nicole, the human resources manager in Scotland, offers a slightly different view:

“We had a honeymoon period when everybody was very positive about getting Santa Helena, positive about new people because everybody was very nice and friendly but now business are getting harder, the changes are still happening and you know...there are some people who feel

that their needs weren't taken into consideration during the integration and now that has come to the surface."

Thus, though the initial perception of the senior management was that people felt happy about being part of the new company – though they admitted there were certain limitations – it soon became evident that a bit more was required on the people side for things to run smoothly after the integration. We turn to those issues in the next section.

5.4.3: Important Issues Derived from the Project

Despite the fact that the enlistment of staff from the acquired business onto the project had helped achieve the goal of completing the project on time and that the introduction of new products was seen by the "O'Hagan" staff as affecting – at least to a certain extent – positively their job security, there was still an awareness that more could have been achieved had the focus of the project not been so heavily weighted towards operational issues, due to the short timescale. Peter, manager of the telesales department in Scotland, emphasized:

"The message was to get operational first. They needed the functionality to take beer orders and make sure that beer orders were delivered and make sure that you could get paid for them. Those were the three main things that integration was focused around, everything else that fell out of side of that, was left to sort of after the integration had happened."

This fact was confirmed by Paul who commented that:

"Short timescale means that some of the people issues that you would have otherwise wanted to devote more time to, have to be taken quite some pace. There was only so much in terms of what could be achieved. If we had three years we could plan the people integration with a whole lot of steps."

Therefore, a number of issues arose during and after the project that influenced the way in which the "O'Hagan" staff saw the new company. Undoubtedly, one of the issues that emerged during the integration was the quality of the IT systems to be adopted by the former "O'Hagan" business. Paul explains:

"One of the things that impacted on the integration of people was that the systems of "BL(UK)" (formerly "Britco") were relatively poor, the systems that people were using in "O'Hagan" were of much superior quality. And that was not a big benefit."

John, the finance director of “O’Hagan” in Northern Ireland shares the same view. Says John:

“We had an issue in terms of the people here in Ireland. And that issue was that in the first three months of the project we did a gap analysis between our existing systems and the “BL(UK)” systems to try and identify what the gaps were between the two systems and it became evident quite early in that process that we were working from very state of the art IT systems in “O’Hagan” to “BL(UK)” systems that were not integrated and were probably seven to ten years behind the systems we were on. And people started to see that by April [2002]. So there was a big resistance from the people here in Ireland saying “we have worked with those systems, we cannot work with these new ones.” And it took us till about May to get to the point where we had to say to people “but look you haven’t got any choice, this has to be completed by October, we are now in May, we have only five months to go to get this done, so we have to make compromises now.” That was a major issue for us I have to say, and we had very heated discussions with some of the stream leaders at various meetings, that was the biggest issue.”

Under those circumstances, the involvement of line managers in the project may have helped complete the integration successfully but it did not completely erase the feeling of not having had any choice over the chosen path. Peter, departmental manager of telesales in Glasgow, describes his experience in the following way:

“Integration more or less happened to us rather...we were not involved in the pre-work that was done. So, when the integration team and the telebusiness [integration] project landed, a lot of the decisions had already been reached about how things would happen. Things around the systems and the people, the project plan, what had to be done by when, so we were really just brought in at that time and given the information as the project team understood it to be. So we shared how the systems operated here and they had their own ideas about how “BL(UK)” worked. I think there was a will to involve as many people as they would see appropriate and get value for them being involved. But there were more people on the project who had the knowledge of how “BL(UK)” operated and they were attempting to solve the problems to make “O’Hagan” operate that way. The decisions were being made by “BL(UK)” people on the basis of how to get our company operating in the way “BL(UK)” operates.”

The adoption of IT systems of inferior quality and the mere consultation on how those systems would fit in “O’Hagan’s” working modes was only part of the reason why the company’s staff – particularly those on lower levels – would feel relatively discontented. “Britco’s” early involvement with Brewers Limited had turned them into the dominant player in the integration project. And as soon as the project was completed, further changes – concerning mainly the ways of working – were to

follow, more details on which will be presented in the next chapters related to the specific research settings, i.e. the finance department in Belfast and the telesales department in Glasgow. The fact that the second largest UK brewer (“O’Hagan”) did not have much of a say in the new situation was hard to be accepted by its staff.

People like Peter – the telesales departmental manager – who nonetheless were supporting the new direction which “O’Hagan” followed after the integration, were confirming that in terms of lower level people:

“The question they are faced with more often is what have you learned from us. What have you used from our expertise and our ways of working and our best practices and what have you adopted in your business. Because you were in a successful company and our company was even more successful, “O’Hagan” was always a better company than “BL(UK)” (formerly “Britco”), in terms of market performance, and share and volume and profit and all those measures. So what have you learned from us.”

Richard, another senior member of “O’Hagan” Scotland, involved as mentioned above in customer communication, also confirms this view. He says:

“I think by the time “O’Hagan” closed and we were part of “BL(UK)”, a lot of employees thought that this was a takeover and not a merger. They thought that “BL(UK)” wouldn’t look at some of the best practices we had. It was “these are our processes we go with that” and the systems were only 70% effective as the old ones, so there were quite a few heated conversations there.”

Nicole, HR manager in Scotland, adds a further dimension to the issue of how the integration was perceived by “O’Hagan” from the top to the bottom of the organisational hierarchy. Says Nicole:

“The perception was that they just brought what “BL(UK)” did and put it in. A lot of those issues about the integration process...if you want to go back again and run the communication about getting the message out to everybody, they did quite a good job at the top level of the company, the sort of senior management, but the actual people that are working out with the customers, the telebusiness representatives, the technical services people, the guys that make the beer, I don’t think that the communication was done well enough. I think the message diluted too much. Particularly, the people who actually do the job, didn’t see anybody looking at what they actually did, and there was no justification of why things were changing.”

In conclusion, the period of the integration was hectic and characterised by time pressure. This was not surprising, given the fact that as Nikandrou et al. (2000, p.334) mention “no matter how few changes are made, acquisitions are a destabilising event

affecting many people...stress, tension, uncertainty are all part of the integration phase". People at the senior level of the acquired business had the opportunity to work with senior members of "BL(UK)" and probably got more information not only about the plans of the project itself but also about changes that were going to follow after the businesses came together. Stream leaders, i.e. line managers played a mainly consultative role but again through their involvement they got a flavour of the way "BL(UK)" thought the integration would happen. However, people at the bottom of the hierarchy, although being kept informed about the changes and the times in which they would happen, would otherwise be mere observers of the whole process. In addition, the fact that they saw their company, the second largest in the UK, not having a say over the integration process in terms of the systems and procedures to be adopted, caused a certain amount of discontent. "Britco", although not as big a company as "O'Hagan" was the powerful player in this transaction and the discontent felt by the "O'Hagan" staff can be explained from the fact that "power exercised to the extent that new rules, procedures or expectations are forced onto the staff members will likely be met with resentment" (Schraeder and Self, 2003, p.511). People at the bottom of the "O'Hagan" hierarchy would have to wait until after the integration had been completed to hear reasons for the strategic vision that the new company was to follow. We turn to this issue in the next section.

5.5: Communicating the Strategic Vision

As described in the previous section, the integration of systems and procedures was completed by October 2002, while further details regarding changes in the ways of working in key departments, (e.g. the telesales department in Glasgow) were dealt with by the end of the same year. Once the functional/operational part of the change was resolved, the focus then shifted to communicating the vision of "BL(UK)" to everyone within the new company, from senior managers to the employees in every department everywhere in the UK.

This major communication exercise, called the (Root) project, was to begin in March 2003 and to last until the end of that month and it consisted of two stages. The main purpose of the first stage was to educate the participants in the recent changes in the marketplace and to make them aware of the strategic vision adopted by the company.

The second stage was called “the connection sessions” and its aim was for people to take forward ideas from the first stage and reflect on what they could do as individuals as well as teams to help the company realise its vision. The (Root) project was the first event which the author was granted access to as an observer, attending three sessions in the telemarketing department in Gloucester. The first session was related to the first stage of the project while the next two concerned the second stage.

The author had already been informed at a meeting with the Managing Director in Northern Ireland, a month before the sessions, that the project would “visualise the vision to the participants”. This became clear once the author attended the first session run by a training manager in Gloucester and involving a small group of people, nine altogether, that had missed the respective sessions run by their departments. The session consisted of a round table discussion whose main input would come from a map set in the room, visualising the information to be presented including the strategic direction to be followed by “BL(UK)”.

The top left of the map read “Into a new beer world”, and below that statement there was a small picture referring to “yesterday”. The top centre depicted the vision of the company to “make beer great” while on the far right the strategy of the company was depicted as a star with five edges, representing the five main features that would contribute to this vision. Those were: “leading brands”, “consumer experience”, “customer value”, “unstoppable people” and “fitter organisation”. Moving towards the middle of the visual, there was a depiction of the “take-home” sector of the market, represented by small stores, off-license and supermarkets in contrast to the “on-trade” sector seen at the bottom of the visual as represented by clubs, pubs, hotels and restaurants. Pictured in between the main outlets of the two sectors, were several lorries representing different categories of drinks including beer, of course, wine, water, alcopops etc. Also, on the left of the map there was a small reference to “the winds of change” while on the top right there was a mention of the factor of quality.

The session started with the coordinator asking the participants to describe the “yesterday” part of the visual and people mainly stressed the localised nature that characterised the business several decades ago. After those short comments, the focus was shifted to today’s drinks market and the discussant asked the participants to place

cards with the value (in £million) of the different categories of the drinks – already depicted in the visual – for the year 2002. People were debating about it and they were checking back with the coordinator for the right information, a process that was repeated again when the participants were given cards representing shifts in performance of certain drink categories for the period between 1998-2002. Following the presentation of that piece of information short comments accounting for those shifts in consumers' preferences were made with people mentioning advertising, the impact of travelling and the import of speciality beers. Related to these points was a focus on the part of the visual referring to “the winds of change”. The coordinator asked some of the participants to read aloud each one of the factors mentioned in the visual as contributing to a changing market place, namely “doing more at home”, “time-poor and cash-rich”, “rise of brands”, “ageing population”, “government regulation”, “indulgent but healthy” and “influence of women”. Then, the participants were asked to comment on each of these factors, but again this did not lead to a long discussion or debate as from the point of view of the participants it was obvious how these “winds of change” had impacted on the beer market.

Once the change factors had been commented on, the focus of the group was turned to the challenges the company had to face as well as the opportunities that emerged and this part was the one that sparked the most discussion. The majority of people mentioned the challenge of becoming a market leader and maintain high quality – perhaps taking cues from the visual – while a lengthy debate followed revolved around which drinks, e.g. ales, premium lager etc., offered the best opportunities for growth. After this debate took place and various opinions were voiced, the coordinator distributed again four cards to each of the participants representing “BL(UK)”’s strengths, i.e. “strong brand position”, “strong premium position”, “strong quality position” and “strong take-home position”, asking them to read them aloud and comment on them. Not surprisingly, the main response of the participants was that the company was indeed strongly positioned in the marketplace without any particular discussion emerging around this topic.

Finally, the participants were given separate handouts of “BL(UK)”’s strategic star and they were asked to stand up and read aloud the company’s vision and its five strategies and then to comment on what the vision “make beer great” meant to them.

Their response was more enthusiastic this time and the majority centred on making beer relevant to many different occasions, a theme that was to be stressed in the second stage of the project, as it later became evident.

The impression from that first session was that this was indeed a top-down communication process and as an exercise it was very clearly structured so that the main objective would be met, i.e. familiarising people with the vision of the company and with the key five features that would make the vision come true. From “yesterday’s world” to today’s UK drink market, and from the “winds of change” to the challenges and opportunities that appear and then over to “BL(UK)”’s main strengths and strategic vision, the project did not generate lengthy discussions or debates on any of these aspects (with the exception of the opportunities for the company), something that would become clearer during the second stage, called “the connection sessions”. With regard to the participants themselves, there was not a great amount of interaction among them, though this may be attributed to the fact they came from different teams, thus not sharing many common elements regarding their jobs. The majority of them, being sales people, were quite knowledgeable about the drinks market and the recent changes, although some of them, also present in the sessions of the second stage of the project observed by the author, were quite surprised by the size of the market shared by certain categories of drinks, e.g. ales.

As mentioned above, the researcher attended two of the “connection sessions” and these were identical not only in structure and content but also in the responses that generated from the participants. Again, in both cases the sessions involved small groups, in the first case a team that was working in the “take-home” sector and in the second a team that was trying to attract new customers.

The sessions would start with the coordinators asking the participants to share with the rest of the group some of the insights gained during the first session, with people mentioning different pieces of the information presented, e.g. the market share of certain drinks, the fact that competition does not come only from other beer brands (but also from wine etc.), the influence of female drinkers, the shift towards drinking at home, while some also mentioned that the main benefit from the first session was to see the whole picture with regard to the market.

After the introductory part, the discussion was to be focused on yet another visual which read “making connections” at the far left and was divided into two parts. From left to right, occupying most of the space on the visual, there were nine boxes referred to as “key themes”. Six of them were referring to the strategic star of “BL(UK)”, i.e. the vision and the five key aspects to achieve it, while the other three were related again to the “winds of change”, to how they have affected consumers’ preferences and also to the fact that customers (meaning businesses from both on-trade and take-home) have more influence over how the market is controlled. Each one of the boxes also contained a few clarifying points related to each key theme. For example, the box referring to the vision of “make beer great” read: “Our vision is to make beer great by making it relevant to all drinking occasions. To do this, we will pursue five strategies”. Or another example would be that of the “unstoppable people” (one of the five strategies): “To succeed, we must inspire unstoppable people. That is, people who take responsibility for their actions and apply their creativity to our business”. The coordinators would go through each one of the key themes with the participants asking them for their opinions but apart from a few comments not much interaction or discussion was generated, possibly due to the fact that all themes were self-defining, not leaving room for alternative interpretations.

Similarly, after this part was completed, the participants were asked to look at the rest of the visual which pictured nine smaller boxes with the word “imagine” on top and phrases related to some of the themes just visited. For example, “Imagine...every employee has the desire to learn and grow, to fulfil their potential” which was obviously referring to the theme of “unstoppable people”. Or “Imagine...we build a range of leading brands around Santa Helena, with a clear premium focus” referring to the theme “leading brands”. The rest of the “imagine” cards were referring to the importance of adding in customers’ value, maintaining high quality and making beer relevant to occasions such as meals offering the consumer “the perfect drinking experience”. Not surprisingly, there was a short discussion confirming that those were the directions which the company should pursue and if all those “imagines” came true this would mean the vision of “making beer great” was met. In only one occasion during the second session, some of the participants took a slightly more critical stance towards one of the cards that read “Imagine...our adaptable style permits the most effective response to the winds of change”. This phrase generated a few laughs, with

people saying that the phrase “adaptable style” reminded them of a politician’s speech and wondering “how are we adopting to change if we are just into making beer great?” To that question the coordinators’ answer was that “we don’t do that now, that refers to our future vision, to what we are aspiring to”, while few of the participants were even more enthusiastic adding that “we cause change we don’t react to it”.

Once all this information related to the future position of the company was presented, the session’s focus shifted to the areas over which the participants thought they could have an influence both as consumers and employees. People were asked to think of those areas on an individual basis first and one by one the participants mentioned either parts of the business they could influence, e.g. restaurants and hotels (on-trade), or themes such as building (and promoting) leading brands. Some of the points mentioned were written on a board and a more general discussion evolved around them. In both sessions, many common points were mentioned during those discussions, mainly the question of how to make people demand quality when they are drinking out and the importance of redefining value in ways other than low price. Others mentioned the importance of using speciality beers as a way to make beer as widely drunk in restaurants as wine is, while again in both sessions the factor of educating the customers in the notion of quality was stressed.

At this point it is important to mention that although this part generated the most discussion in both sessions and although the participants were required to explicitly mention areas that they could influence, there was not any clear requirement for them to clarify in what exact way they would influence the areas of their interest. Similarly, when the sessions finished with a question of “what can we do as a team” to influence those areas, from the view of the author as an observer, this did not generate many new insights. People would repeat some of the ideas already mentioned, e.g. educating the customers, while in both sessions employees came up with the idea of “going out as a team to a local pub and demanding our products” which on the part of the author was not conceived as the most creative of ideas but as later interviews revealed was an official company message. However, the team in the second session came up with some ideas more related to their everyday work, e.g. passing certain ideas as memos to the managers to make sure that they were followed up by specific actions carried out by specific people if necessary.

As mentioned above, although the second stage of the project was called “the connection sessions”, the main objective was to make people more focused on certain key themes around the company’s strategy and to “register”, if possible, several of them that could guide their everyday actions, although no mention of any specific actions was witnessed during those sessions, which at some points slipped into a prescriptive path criticised by some of the participants. Peter, manager of the telesales department in Glasgow, mentioned in particular:

“There is a lot of jingoism I think and there is a lot...you know , the company mantra and buy in. I might have been too cynical but all “make beer great” and everybody has to do everything in their life to make beer great and I know why this is the right thing to do and I understand why, and I don’t think anybody in the company doesn’t understand what makes beer great and why the company is doing that, but then you take it too far when you say “when you are out for the night, don’t drink wine, or don’t drink that.”

However, despite the criticisms, it can be said that although the project did not aim at the involvement of the participants in debates aiming at the reconsideration or refinement of the key ideas presented, it served the objective of communicating the strategic vision to the employees and giving some reasoning for the five chosen elements that would help fulfil that vision well. This is also confirmed by people like Helen, one of the team managers in the telesales department in Glasgow. She mentions:

“I think that the Root sessions were quite helpful for the people here. A lot of them, especially the new recruits, didn’t really know about the market, e.g. they hadn’t realised the size of the wine market or how speciality beers were growing, so they took with them some of the things from the sessions...so it definitely helped change the ways of working I think.” (As we will see in Chapter Five, one of the issues in the Glasgow telesales department was a change in the nature of work, with the introduction of a new sales model).

A similar view is shared by Billy, also team manager in the same department. He says:

“The Root session definitely focused on certain things and now we have an office culture where we share a lot of the “buzzwords”, you know “make beer great”, “unstoppable people”, these are things that people use in everyday language.”

Indeed, as will be shown in the next chapter which refers to the two research settings, the project was well received among the employees and line managers who attended

it, with people clearly appreciating the fact that at least this time, some relevant information was presented together with a clear message that justified the need to follow “BL(UK)”’s strategic direction. However, the influence of the project varied, with the telesales people in Glasgow using some of the ideas of the sessions in their everyday work, while people from supportive departments like the finance department in Belfast mainly thought along the prescriptive lines of “realising that you drink beer, when you are out for the night, and in that way you become kind of a salesman for the company” (Neil, systems manager, finance department, Belfast).

5.6: Concluding Remarks

The aim of this chapter was to pave the way for the analysis concerning the specific research settings, taking place in the next two chapters. Chapter Five in particular will show how informal knowledge sharing post-integration, was influenced by the pre-integration historical workplace context in the two settings as well as structural changes in the UK brewing sector.

For that purpose, information related to the overall UK beer market, the formation of “BL(UK)” and the company’s current position in the market has been presented to build a background to understanding the case. Further information has been presented in relation to the integration of “BL(UK)” and “O’Hagan” brewers, with details concerning the structure of the project and how it was perceived, particularly from the point of view of the former “O’Hagan” staff. We saw that early on, the project was heavily weighted towards functional issues aiming at the adoption of “BL(UK)”’s systems and procedures by “O’Hagan”, leaving all other issues, including that of people integration to be dealt with for later. Efforts to balance this situation, with the enlistment to the project of line managers of the acquired business, did not do much to take away the discontent that certain quarters felt about “BL(UK)”’s dominant position in the project.

However, the situation was bound to change post-integration, once the company was ready to deal with what Pettigrew and Whipp (1991) called the “educational aspect of change”. The two authors argued that apart from the demands of business analysis, that would lead to the formation of a particular strategy and certain courses of action

for its pursuit, managers are often required to deal at the same time with the educational and political aspects of change.

Although, it is certain that the analytical side of strategic change is something that does not end with the formation of plans and strategies for action, at least it is logical to assume that in this case, certain aspects of the demand for analysis had been dealt with even before the physical integration between the two companies took place. That is why “BL(UK)” was able to present its new vision as a unified organisation to its employees only months after the physical integration took place, thus managing the educational demands of change.

Indeed, the company launched a major communication programme taking place over a month throughout the UK, with the objective of not only communicating its vision to its staff but also of educating them on the overall picture of the UK drinks market, how that market had recently changed, how those changes were affecting the company itself, and how the company would respond to challenges, developing its strengths and shaping its future. The sharing of relevant information and the provision of reasons for the adoption of the new strategic direction was seen relatively positively among the employees of the company, making them forget, at least temporarily, part of the discontent felt during the integration period.

However, as the next chapter will show, shifting attention from the macro-organisational level to the micro-level of the two research settings, alongside formal communication and training (provided during the integration), informal processes of knowledge sharing would take place so that the participants could meet operational objectives post-integration. These same processes would force managers to come to grips with the political aspects of change.

CHAPTER 6: THE EMERGENCE OF COMMUNITIES OF PRACTICE AT “BL(UK)”

6.1: Introduction

This chapter shifts the emphasis from the macro to the micro-organisational level in order to examine the informal processes of knowledge sharing that unfolded post-integration at the two research settings. By presenting evidence from the two settings, the current chapter sets out to contribute to related literatures, mainly the literature on the emergence of communities of practice and their role within organisations in the context of organisational change.

In Chapter Three, it was stressed that the literature on communities of practice has furthered our understanding of processes of informal knowledge sharing, but its main limitations are due to a restricted focus on the local “here and now” context within which those informal processes take place and to the fact that in several cases authors have tended to assume an unproblematic and unpoliticised nature of social interactions at the workplace. The objective of this chapter is to address these limitations through the adoption of a critical realist perspective that locates the process of informal knowledge sharing in its meaningful contexts (organisational, sectoral). This task paves the way for an assessment of the influence of micro-politics and the role of managerial action that have been underemphasised by previous literatures on communities of practice (Easterby-Smith et al. 1998).

The evidence presented suggests that while in the finance department in Belfast the process of informal collaboration unfolded in a way already described by relevant literatures and was seen as a more intense form of similar efforts prior to the integration, the same process in Glasgow constituted a departure from past practices, was politicised and required the active negotiation of consensus over its rationale between management and employees/practitioners.

Following the presentation of the data, the chapter, through a focus on the critical realist notion of mechanisms (discussed in Chapter Four), attempts to explain the differences between the two settings, mainly with regard to the impact of macro-

contexts, the role of micro-politics and managerial activity related to knowledge sharing.

6.2: Communities of Practice in the Context of the Research

Before continuing with the presentation of evidence related to the knowledge sharing process as it unfolded following the integration of “BL(UK)” with “O’Hagan Brewers”, it is worthwhile to reflect again on the concept of communities of practice, its evolution from 1991 to the present, and its use and contribution to the present research.

As mentioned in Chapter Three, the concept of communities of practice originated in research related to learning in the context of traditional apprenticeships (Lave and Wenger 1991) and, soon after, it was extended to entail informal learning processes unfolding within business organisations (Brown and Duguid 1991). In both cases, the term was used to refer to informal aggregations of people engaging in a shared practice. More specifically, according to Wenger (1998), communities of practice are characterised by three elements: *joint enterprise*, i.e. a shared understanding of the purpose the community serves, *mutual engagement*, i.e. informal interaction of members that leads to the development of mutual relationships and *shared repertoire of resources*, such as language (often jargon), stories or tools, to which members of the community have access. At this point it is important to say that this description provides a point of departure in thinking about the emergence of communities of practice within organisations. However, it should be stressed that recent critiques have suggested that the conceptualisation of communities of practice in harmonising terms takes for granted coherence and consensus over the content of practice, thus being unreflective about the potential for schisms and conflict (Contu and Willmott 2003). We will return to this point shortly.

Following the application of the term in business contexts, recent research has reflected on the extent to which learning in a spirit of a community of practice can take place within the more formal boundaries of a firm. Within this context there has also been an increasing awareness of the role that managerial action can play in “nurturing” communities of practice in organisations (Swan et al. 2002).

Nevertheless, accounts of the impact of managerial activity aimed at communities of practice vary. For example, Swan et al. (2002) argue for a rather subtle managerial involvement in the formation of communities of practice while on the other hand (and perhaps surprisingly) Wenger (2000) and Wenger and Snyder (2000) assume a more central role for management in identifying potential communities within an organisation, providing them with an infrastructure (for example leaders, sponsors, and support teams, the possibility to embark on specific learning projects) and using non-traditional methods to measure their value (for example by listening to member's stories).

The degree of managerial intervention as it is described by Wenger (2000) and Wenger and Snyder (2000) clearly contradicts Lave and Wenger's (1991) early work that stressed self-management as one of the defining elements of communities of practice. However, despite this conflict, both accounts share a limitation in assuming the relatively unpoliticised nature of social interaction. Lave and Wenger's (1991) work was characterised by a focus on the local "here and now" context in which micro-level interactions – related to knowledge sharing – take place, thus underemphasising the role of micro-politics and power relations (Fox 2000). On the other hand, Wenger's (2000) account has been criticised for adopting a unitary view when describing management's involvement in "designing" communities of practice (Contu and Willmott 2000).

The above observations have informed the way in which the concept of communities of practice is applied in this research. Consequently, given that fieldwork took place in a business organisation, the identified communities have existed within the context of the functional departments of finance (Belfast) and telesales (Glasgow), thus reflecting Amin and Cohendet's (2004, p.740) observation that in some cases "within firms communities include groups of employees who share a particular specialisation corresponding to the division of labour (for example marketing or accounting)". Taking into account this point and Wenger's (1998) outline of the main characteristics of communities of practice, both settings can be considered as communities of practice.

In Glasgow, the participants all engaged in an identical practice, i.e. selling products over the phone, a situation almost resembling Orr's (1990; 1996) photocopier repair technicians. Also, in terms of a shared repertoire of resources, shared language was evident as well in the form of technical jargon. Terms such as DVQ (distribution, visibility, quality) or "factored products" (products not owned by the company) were everyday language for the interviewees but they required the author's effort to clarify their meaning during the interviews.

In Belfast, the finance department was divided into several sub-sections. This meant that people working in the data processing section, for example, had to undertake slightly different tasks to their colleagues working in sales operation. What became evident from the interviews was that undertaking identical tasks facilitated knowledge sharing within sub-sections. However, of interest was also the fact that (as will be shown later on in the chapter) the codified nature of practice in the setting (namely the reliance on information technology to accomplish everyday work) made informal collaboration across sections possible in cases where the introduction of new IT systems impacted on more than one area in the department. Also, given the nature of practice, shared language was mainly related to the names and different characteristics of the IT systems in use.

What also became evident (particularly in relation to the Glasgow case) was that engagement in common practice and the subsequent development of a shared language do not necessarily imply strong social ties (relations of mutuality as Wenger describes them) and a consensus over the meaning of what *successful* practice was in the setting. This last point is related to the contribution that the concept of communities of practice makes to this research. On the one hand, staying true to the meaning of practice as "engaging fully in a task, job or profession" (Brown and Duguid 2001), the application of the concept in both settings helps us understand how the participants attempted to develop a better understanding of their work (practice) after a change and the challenges this change presented for them. On the other hand, the context of the merger helps us identify the extent to which those very same informal interactions (aimed at knowledge sharing and a better understanding of practice) were influenced by factors relatively underplayed by previous literatures, i.e. organisational and sectoral context, power differences and micro-politics. Especially

with regard to the impact of managerial action, our understanding is closer to Swan et al. (2002) view rather than the account of Wenger and Snyder (2000). In particular, it will be shown that managerial action was more prominent in encouraging informal knowledge sharing and legitimising its rationale rather than defining the learning paths and directly controlling the activities of the communities.

Having justified the application of the communities of practice concept in this research, the next part of the chapter provides a brief description of the process of knowledge sharing as it unfolded in the two settings, thus providing links to the issues presented in the previous chapter.

6.3: Knowledge Sharing and the Research Settings

As was explained before, this part of the chapter focuses on the informal processes of knowledge sharing that took place in both research settings. Thus, the main objective here is to clarify the reasons that made those processes a necessity for the achievement of operational objectives as conceived post-integration in both Belfast and Glasgow. Through a brief description of the cases, it will become apparent that informal knowledge sharing took place in quite a different way in the two departments, and the reasons for that will be analysed in depth at a later stage.

6.3.1: Knowledge Sharing in Belfast

The previous chapter, which dealt with the management of integration at an overall organisational level, showed that part of the discontent felt by the former “O’Hagan” staff was caused not only by the dominant position of the former “Britco” (“BL(UK)”) organisation in the project but also by the fact that the new operational systems that were to be adopted as part of the integration were of inferior quality to the ones used in the “O’Hagan” days. This, as we saw before, was particularly true in the case of the finance department in Belfast, where the use of IT systems for the processing of the data, issuing of invoices and loans etc., was an integral aspect of the job. Therefore, it was not surprising that performing under new systems of inferior quality to the pre-existing ones was viewed as the greatest challenge from the employees of this department.

Tim, line manager in the data processing section of the department, remarked:

“The new systems make the processes more time consuming, they are not as user friendly as the ‘O’Hagan” ones, plus when we were in the old systems, we were working in one system really, whereas now we have quite a few systems, so this definitely makes the job more difficult than before, and few weeks ago, the department organised a user survey to actually identify what people are thinking working with the new systems. And one of the questions in the questionnaire was ‘do you think that the new systems are an improvement over the old ones?’, and the answer is no, there were more negative than positive comments.”

The fact that the introduction of new systems made the majority of tasks more laborious is also confirmed by Bill, an invoices processor in the purchasing section of the department, who says:

“The time it takes to process an invoice on average is longer in the new systems than the old ones and that has caused workload issues at many sections of the department. In this section, had we not have had an extra person – usually we have a student who joins us every year – we would be looking at a problem. Workload has increased although the physical activity hasn’t changed that much, it takes longer to do things.”

Similar concerns, particularly with regard to the need for extra people, are expressed by Pam, a data processor:

“During the integration project we were four people, and one of the girls was a temp and we were coping well with her, but she had to leave at the end of the project, and given that the systems are not so advanced, that really puts pressure on us. We could do with the extra person, but the budget does not allow this at the moment, so the pressure is there definitely, ‘cause if one person is missing, due to illness or any other reason, that immediately causes us a backload.”

Eric, working on the helpline of the loans section, confirms the fact that working after the integration is more pressurised than before:

“There is pressure because we are supposed to keep the same standard like before or higher. We are providing a good service, but there is more information query to store, customer anticipation is the same as before, and there is pressure ‘cause certain parts of the job take longer, but we are still targeted on calls and queries and our performance measures haven’t changed.”

At this point, it is useful to be reminded that, as we saw in Chapter Five, even senior management coming from the former “Britco” background openly admitted the inferiority of the systems that were to be adopted by “O’Hagan”, and thus the above comments cannot be attributed to the discomfort of staff working within a new

organisation. Nevertheless, in spite of the relatively poor quality of the newly adopted systems, the staff in the department were expected to meet the same performance targets as in the pre-integration period, something that, as we will see shortly, made informal collaboration and knowledge sharing a necessity for those involved in the everyday operational work. However, another reason for this to happen was that the formal training on the new systems was not without its limitations. James, purchasing and account manager, gives the following account:

“There were two scenarios in the training situation. First of all, training was carried out quite some time before people had access to the systems. It was ‘here is how it works and in two months you will start using it’, and of course in two months time they forgot everything they had seen. Secondly, there was a limit, I mean the trainers were brought over and they had a programme to go around the site to talk to different people about different aspects of the systems. So, if you would pick up what they were talking about, it was fine, if you had some difficulties, there was a limit to what they could do to make sure that you could operate the system effectively before they had to go. People were unfamiliar with the new systems, and many people I know found it difficult to get grips with the systems, because they were trained when they didn’t have access to them. When they had access the trainers were gone. They came back at least twice but still there is a limit to what you can do, so I know a lot of people are frustrated by that.”

Tim, the data processing manager, shares the same view with regard to the unavailability of trainers to cater for each section’s specific needs. Says Tim:

“We had about three or four areas to cover as a section and some of the training was good, because it was more specific to our section and nobody else did it. Basically, confirming delivery notes, nobody else does it, so we had the attention of the trainers for those sessions. However, there were other sessions which were more diversified across maybe two or three different sections of the department. So, the trainer was trying to put together what the x section needed and what the y section needed and so on, so in one training session he may have had people from three different sections together and all of them made something different. So, our girls came from those sessions not really understanding what was going on, mainly because it might be a two hours session but they may only have had the ear of the trainer for maybe half an hour of that and the rest of the time, they were just following instructions and not really knowing what they were doing. So it was only when they got back into the live environment and had to do it that they learned really and to a certain extent that’s really when you are doing it and you have to do it that you learn.”

Of course, given the unavailability of trainers once the new systems went live, the learning to which Tim is referring could only be informal, with certain members of the department relying on each other’s knowledge in order to develop an

understanding of the new systems and of how best to use them in their work.

Continues Tim:

“Once the girls went live on the system it took a bit longer for them to understand it, but they were good at sharing information and they still are because four or five months later we are still coming up against things that we don’t initially understand, or understand why we are doing it or how we are doing it, but somebody in the office has come across before, so they are very good at ‘I know how to do that’ and sharing information”.

Debbie, who also works in the data processing section, confirms that informal learning in the form of sharing relevant information and complementing each other’s expertise was something happening in the section post-integration:

“Working with my colleagues, we are resolving issues between us and anything somebody didn’t pick up, there is someone else who can help. We are always working this way, because we can always compare and say ‘do you remember how to do that’, ‘oh yes I do’, and that’s how we work, it’s better that way. All of us have been working here for a long time, so we are very experienced. Personally, I have been here twenty years, so I have seen a lot of systems. Every system that comes in, we run them in parallel and then there is the cut off. So, by comparing the systems I can find similarities and that helps me to transfer the relevant information I need in every new situation. So, I always write down notes and I have those for myself and then I would go around and if I remember something that someone else doesn’t, I would go and help them, you know ‘I have some notes here, if you want to follow that you can’ and they would do the same with me.”

Pam, an employee in the same section, agrees that informal learning about the systems with the form of exchanging relevant bits of information was a solution to the incomplete corporate training provided during the integration. Says Pam:

“I always have my own notes but truth is that in the office someone will know more than me in a specific area and I would know more than them in another area. So, by showing each other our notes it helps to explain how to run certain processes, so I would say that from my point of view the informal training that we had when we were up and running in the system was probably more beneficial than the formal training.”

The process of informal collaboration in an effort to form a more complete understanding of the systems and to use them more effectively to meet performance goals was not something confined to the data processing session. It was spread across different sections in the department. A similar example is given by Eric, the helpline employee in the loans part of the department:

“One person sort of knows more than another so we share information that way. For example, on the OPTICS [name of the system] side, which is about technical queries, I was more up to date on that than the rest. Some people were finding it difficult and I would be more familiar with that because before I worked here I used to work in our stores dealing with all technical issues, so I was more familiar with different terms and I was able to train them on the technical side. But on the other hand, on the accounts side on Trinity [different system], I wasn't really up to speed as much, so they would be able to show me how to do things like tracing other account queries, they were more accounts orientated and I was more in the technical side so we would be complementing each other's expertise.”

Another aspect of this process was cross-sectional collaboration in cases where one or more systems would have an effect on more than one section. Jack, contracts administrator at the loans department, explains:

“In my section, we had regular meetings with colleagues from purchasing and accounts who were looking at what we were doing in our systems, and what we were doing in terms of procedures as well. And new systems have been running for about five months now and along the way we have come up with things that we didn't anticipate. In these meetings we say 'how do you deal with this' and it impacts on both sections, at both ends and when one section does something it creates a backup for another section and that's a good way of doing things and agreeing on ways of working ourselves. As a result of that we are working on a procedure manual which people from each section could use, and they would see the impact on both ends. I guess another reason for this to happen is that we have slightly different ways of working here than the headquarters would have and so the manuals that the trainers gave us needed to be enhanced. As we went through things we said 'we don't like this here' or 'this doesn't affect the way we do it' I would guess it's widespread, it's happening in the whole company.”

Indeed, customisation of working procedures as a result of a better understanding of the systems was a theme referred to by several research participants. For example, Christian, a young employee responsible for setting up a new pricing system, confirms his colleague's account:

“BL(UK) had given us a small manual, like a user's manual in the beginning, with the basic concepts of the new system, so that was the basics and by trial and error, doing different things on the systems and sharing information, we saw that certain things could be improved. And for example, some of our pricing set up now is different from what the manual said and from what 'BL(UK)' indicated how to do it. Just the structure of our pricing, the structure of our customers' base is more complex than in 'BL(UK)' and we personalised things here.”

The frustration of working with inferior systems and the various challenges that the participants were encountering in their everyday jobs were also the main source for

this learning activity to take place, something that was underlined by James' (purchasing and account manager) comment that "this is a learning phase rather than a complaining phase". Or as Neil, systems manager in the department, put it:

"It's now that we have completed the implementation stage that we are able to take a step back and observe things a little better and bring in the improvisation. We are realising that there is a better way of doing certain things."

However, while the line managers were encouraging them, it was also clear that those same processes were mainly driven by the members at the lower levels of the departmental hierarchy, without direct input or guidance by the senior management of the department or the "BL(UK)" headquarters management. Commenting on the processes of collaboration and learning, Jack, the contracts administrator says:

"I think it's something driven by individuals as much as anything else, so overall on a day to day basis, that's probably more informal. I mean, certainly at the end of the integration, our sections or departments would be looking at our processes and ways of working with regard to the new systems, and that would have been formal because the system would do or wouldn't do something as expected, while there is a carry on from individuals there assessing what they are doing on a day to day basis and finding new ways of doing it, so from that point of view it's certainly more informal."

Christian, responsible for setting up the pricing system, offers a similar view:

"I think that all this is coming from the Belfast staff who have been used to different systems over the years and have been used to different ways of working. And as the new systems have just been introduced, they don't produce the same results, the same information like the old systems did. So, as we were used to the old systems till recently and there is a backward change in the work, we really have to find ways to make the new systems work for us, in the sense that we can achieve our targets, as we used to do with the old systems."

Dianne, a young employee in the loans section, summarises the situation best when she says that:

"Collaboration and helping each other with problems comes from people who use the systems, they are probably the best people to come up with ideas of how to improve our work."

Closing this part of the chapter, the primary objective was to examine the main challenges that practitioners in the finance department in Belfast encountered in their work, following the completion of the integration with "BL(UK)". Thus, we saw how the difficulties and the frustrations of the day to day work turned out to be a source for

informal collaboration and learning, as the local practitioners tried to improve their understanding of the new systems and the impact these had on their jobs by complementing each other's knowledge of processes and ways of working. Another important point to take into consideration was that this process unfolded informally, *without* the guidance or control of senior managers in the department, and thus it reflected the efforts of people at the lower levels to overcome the challenges of the post-integration reality by developing a better understanding of their practice. The way the learning and knowledge sharing processes took place is what differentiates this case the most from the second research setting, the Glasgow telesales department. This is where we turn our attention to next.

6.3.2: Knowledge Sharing in Glasgow

As seen in the previous chapter, the discontent felt by the former "O'Hagan" staff due to being the followers in the integration project, was not something confined to the Northern Irish part of the new business. The staff of the Scottish subsidiary based in Glasgow, more specifically the employees of the telebusiness unit, showed a similar reaction with regard to the introduction of the new operational systems, which from their point of view was signalling the fact that "BL(UK)" were not willing to adopt any of the operational procedures or the "good practice" of their company.

However, in spite of all the complaints and discomfort caused by the adoption of systems of questionable quality, this was not seen as the most significant of the challenges, when considering the situation in this department post-integration. People certainly were not happy about the abandonment of their superior systems, but most challenging for them were the ways of working related to the main job in the department, i.e. selling products over the telephone. In the "O'Hagan" days, the teleaccount managers would sell a wide variety of products over the phone - not only beer brands that "O'Hagan" owned, but also alcopops, wines and other beer brands - and the main objective was to negotiate profitable deals with the customers. However, following the integration with "BL(UK)" all this had to change, as the new company was more aware of the importance of promoting their own brands as a quality product. As a result of this shift in emphasis, a teleaccount manager post-integration would work under structured pricing, selling company owned beer brands and

educating customers on the importance of selling brands as a quality product. That change in the sales model is explained by Kenneth, one of the four team managers in the telebusiness unit:

“‘O’Hagan’ would be very active and aggressive and participate in the whole range of business. They would endeavour to deliver everything to the customer, at a competitive price, which you could amend, you could change, you could sell a different price week to week, they had systems and technology to back that up. “BL(UK)”’s philosophy is different. They make more money on the brands that they themselves make and own and place far greater focus and emphasis on their own brands and solely selling their brand in the marketplace.”

The main reasons for this change in the sales model of the company will be presented in a later part of this chapter, but the argument which is presented by Abdulah, one of the teleaccount managers, is a convincing one:

“It is a different way of thinking, I think. “BL(UK)” is more a brewer, their business is beer and that’s what they are concentrating on. “O’Hagan” was a multinational company and UK based and they went to hotels and things like this. So brewing was part of the business and as long as the business made money for them, they were happy to have the beer. Now, they have obviously moved on to just hotels, and they decided to sell off the brewing section. “BL(UK)” are a brewer and they are a brewer worldwide, they don’t have hotels or pubs or anything like that, they only bought beer companies and that’s what they do with it. So, they want to focus on their own brands, making themselves the world’s best brewer. Of course you can buy companies around the world but what you also want to do is to get your own brands to be the number one brands, and that’s sustainable growth if you can do it.”

This shift of focus was naturally reflected in the way that performance was evaluated within the department. As Peter, the departmental manager says, a lot of the performance indicators were related to selling the company’s brands as a quality product and conveying the importance of quality to the customers:

“In the past, we would have tried to get business through price negotiation, we can no longer do that. Now we accept that our prices are as good as they can be and if you want to buy from us that’s the price that you would pay. As a result of that, the ways of working and the key performance indicators have changed along with the company model. With “O’Hagan” it was very much profit centred, with “BL(UK)” it is brand oriented, so the ways of working have changed in line with that. And now within the key performance indicators there are more quality measures, brands display etc., they call it DVQ in “BL(UK)”, which is Distribution [product distribution], Visibility and Quality. So, these are the back drivers for managing and growing the beer category.”

As previously mentioned, this change in the ways of working, was seen as particularly challenging by the employees in the department, especially as many of them had several years of service with “O’Hagan” and were very familiar with the company’s sales model. This is reflected in what Helen, another of the department’s team managers, said about the new situation:

“People found it difficult and they still find it difficult, and to move away from a focus on deals and price and profit to focusing on visibility and quality and driving awareness and brand...it’s a completely different way of working, so someone who has done this job for, say, six years, it’s difficult for them and they need more support.”

This, of course, was not only the view of the team managers, but also of the employees themselves, as Sally, an employee with long service in the “O’Hagan” company, confirms:

“It’s been quite hard because we have a different focus. But it’s just that you change your way of learning, skills, just trying to change the way we used to work. Still, we are not very confident and speaking about the negotiation on different things and brands and things like that...before it was just negotiation on price and profit and we just try to move from that side of it which is quite strange. It’s just taking a lot of time to change away from selling the deal and try it to a different level.”

The fact that under the new model room for negotiation was limited, was a frustrating one for people who tried their best to keep the customers with the company by making profitable deals, as Maggie, another teleaccount manager, comments:

“The change, from a personal point of view, is a big change and having been there for some time, I have to say it feels very strange. If we cannot compete in price now, we walk away from businesses because “BL(UK)” focuses on their brands. And that’s very difficult for us because we always wanted to keep the volumes in house, so it’s a big change, the information is no longer there to focus on profit, so we have to go on and sell the brands.”

The difficulty of coping with the concept of quality and incorporating it as an integral part of the interaction with customers was also reflected in some of the training courses focusing on this concept and run by the team managers. Billy, another young team manager, reflects on the experience:

“In terms of training, one of the things we did was to run a kind of group session which was a very open and honest kind of forum and any issues they had, they could talk about. For example selling brands...we looked at brands like Ferrari, Gucci...you know, brands that are totally sold on the image rather than the price, kind of see that translated as their own choice. And some people

within the team took that away and were very successful with it, they implemented it, but others although they had the knowledge didn't follow that through, it was price they were talking about."

However, the relative inability of several people to adopt in their working practices the ideas presented in the training sessions, could also be explained by the fact that in their everyday work, the practitioners were not the only ones who should get used to the concept of quality. Perhaps, even more challenging was the part that in their everyday interactions with the customers, they should *educate* them as well, on the importance of beer as a quality product. Betty, the final of the four team managers and a more experienced member of the department, comments on that:

"It is difficult, because we talk in a different language from our customers. The customers were talking about price before [the integration], so we talked about price. Now, the customers still are talking price and we talk about brands and quality, so in a way we are talking two different languages at the moment. I mean, we are getting evidence that some of our customers are buying what we are trying to say to them about quality, but still we have a long way to go."

Sally, the previously quoted teleaccount manager, is of the same opinion:

"Talking to customers about quality...it's time that you change them as well, because customers also used to talk about structure, pricing, profit, and it's getting them to appreciate that we are now on a different level and our business promoted on the basis of quality. Because they are still into profit, they haven't made that move, they haven't realised that quality and visibility will help them raise their profit, we are trying to keep them aware of that."

The fact that training sessions on the notion of quality or the information presented during the communication exercise mentioned in the previous chapter could not account for everything that the everyday work involved, led to a situation where employees (teleaccount managers) would share relevant knowledge, mainly related to their experiences with their customer base, so that they could cope with the challenge of altering their customers' mindsets. Helen, the team manager, explains the situation:

"In my team it's happening a lot, people tend to share things that have worked for them with their customers. They take ownership of that, so that they now come to us with sources rather than problems. They come and say there is a problem with that but I have spoken to someone else in the team and that's what we have done about it."

The fact that experiences and knowledge was shared amongst the teleaccount managers is also confirmed by two more members of the department, Linda and Maggie. Linda:

"We share ideas with each other, not only in team meetings, cause obviously you talk between times you know...so we share ideas and try to find out what is happening, what is not happening, what is working and what is not."

Maggie:

"It would be a very casual approach, so if something works well for you with certain customers, you will speak about it in the team and tell them, you know...it's worth it for you. There is no format in doing that, because it's up to the individual to take that on board. So, it is casual and mainly we would tell each other selling stories...so in my case if I talked to someone I would just talk them through the exact conversation, what happened, what the outcome was."

However, although all participants confirmed that indeed knowledge sharing was a significant aspect of the working life in the department, other participants were of the opinion that, for reasons that will be explored in the following sections, this was not as straightforward a process as it was the case in Belfast. For example, Billy, the team manager, says:

"It's something that I have got to push, it's not something that is happening freely. Where we were from, it was each individual doing their own thing, and the way the incentives worked, it was in everyone's best interest not to share information."

This is an important observation which is also confirmed by the fact that even though knowledge sharing was taking place, it was not something that was spread across the whole department. Instead, due to the fact that the department was divided into four teams that catered for different geographical regions in Scotland, it was rather confined within the boundaries of the teams, thus mirroring the departmental division.

Linda, commented:

"To be honest there is not much of a collaboration in the overall office. We have four different sections and I would not say that we bounce ideas so readily amongst the whole team, it tends to be in our clusters."

From the accounts of the Glasgow staff, the main conclusion to be drawn at the moment is that knowledge sharing, although happening to some extent, was a process not without problems, and in this way it differed significantly from the similar process observed in Belfast, where relevant knowledge and expertise would flow more freely. The following sections explore in depth the reasons for this difference and offer further insights into the Glasgow case. By doing that, attention is drawn to the impact of the organisational and sectoral context on the nature of the job and the process of

knowledge sharing in the two settings, while the role of politics and managerial action is also examined.

6.4: Locating Knowledge Sharing in its Wider Context

This section aims to explain the differences in the way knowledge sharing processes unfolded in the two settings, by examining these processes in relation to the organisational context before and after the integration. Also there is a focus on the extent to which changes in the content of a practice (in the case of the telesales department) come not only as a result of local negotiation amongst the practitioners but also as a result of structural changes in the relevant sector in which practitioners are employed. Locating these informal knowledge sharing processes in their wider contexts facilitates the task of viewing “social relations and learning as processes that do not happen in a vacuum, but on the contrary, take place in a landscape of interests and differential power positions and relations” (Easterby-Smith et al. 2000), thus recognising as well the influence of micro-politics and hierarchical power.

6.4.1: The Influence of the Organisational Context

From the evidence presented in the two previous sections it should be apparent that although the integration of the two companies, “BL(UK)” and “O’Hagan”, presented the participants in both settings with different challenges which made informal knowledge sharing and learning a necessity, these same processes unfolded in very different ways in Belfast and Glasgow. In Belfast, they unfolded smoothly out of the difficulties of the everyday work, and learning was spread across the whole department, with several examples of cross-sectional collaboration, where necessary, taking place as well. However, in Glasgow, although informal collaboration was seen as a way of becoming more familiar with new concepts and ways of working and thus accomplishing the everyday work, it did not flow as naturally as in Belfast and it also mirrored the sub-divisions of the departmental structure. This section provides an explanation for this contrast, with reference to the ways in which the change in the organisational context post-integration facilitated (in the Belfast case) or impeded to some extent (in the Glasgow case) informal interaction and collaboration in the community of practitioners within the two settings.

Starting with the Belfast case, the context that emerged post-integration was similar, if not identical, to that pre-integration, possibly due to the fact that the finance department was not the most vital cog in realising the new company's strategy, thus making the various impacts of the integration much weaker in comparison to other departments in the Northern Irish subsidiary. The group dynamics in the department were virtually unaltered, and most importantly, so were the key aspects of the job, despite the difficulties caused by the adoption of inferior IT systems. This fact is reflected in Tim's (processing manager) comments. He says:

"Most of the processes are relatively the same. We are still confirming delivery notes and we are still processing cash, so it wasn't a dramatic change, that we are doing something totally different, we are just doing it in a slightly different way. There is no big, dramatic change, we are doing something that we did yesterday that we are doing today to a certain extent, it wasn't anything real dramatic, it was that just within the individual systems there was a bit of change. How one system processes and delivers a note against the other is different, so now we have found that whereas before it was taking us an hour every morning to confirm the previous day's backlog of delivery notes, that now it is taking two or three hours, or it is taking the same time but twice as many people."

Fiona, a commercial support manager in the department, also confirms that despite the change of systems the work processes remained the same:

"It's not something dramatically different. It's actually the same processes. We were performing certain tasks before and we are doing the same with different systems. For the actual people who are doing that, the impact of using different systems is strong as that is making their work more laborious, but if you look at the processes involved it's not a dramatic change."

Many of the other interviewees were also of the opinion that the main aspects of the work within the different sections of the department were unaltered despite the unfamiliarity with the new systems. This enabled them to collaborate informally as they were already sharing a common understanding of their jobs and their roles in the department, and thus they could see more clearly how the new systems could fit into their working modes and give the same results as the old systems did.

Another element that facilitated informal interaction and learning about the new systems was the fact that these processes were seen as perhaps a slightly more intense form of similar efforts prior to the integration. Jack, contracts administrator, comments on the process of informal knowledge sharing:

"I think it is probably like a process, it's something that happens always, you are always looking for ways to improve your work or to make it easier. It is something that definitely was happening beforehand [before the integration] and is happening more now, and again because of the fresh systems that impact on all processes, it's coming actually anyway..."

Eric, the customer service employee, agrees with the fact that informal collaboration and learning was something that was always taking place in the department. He comments:

"Generally speaking, not everything you do is going to be in the company manuals, so there were always things that we discovered we could do in a different and better way. So, I would say that we were encouraged to always look for ways to improve our work, even before the integration took place."

This last point is also confirmed by Doris, a loans employee, who comments:

"Sharing ideas would always have been more informal, just within the department itself. We were quite actively looking for improvements and if someone of my colleagues would come up with something that made my work more effective I would take it on board. So, now with the new systems it is not any different."

Thus, it is becoming clear that the relative continuity (new systems aside) when comparing the organisational context in the finance department before and after the integration played a significant role in the way informal learning and collaboration took place post-integration, i.e. relatively smoothly and naturally as a response to limitations of what Brown and Duguid (1991) have called "canonical practice".

Of course, the picture emerging with regard to the Glasgow case is almost in complete contrast with what was described in the Belfast case. The context that emerged post-integration was significantly altered in different ways. Starting from the nature of the job, it was obvious that what the work of the teleaccount manager entailed after the integration was quite different from the pre-integration days. From the previously presented evidence it is clear that this change in the content of practice caused great difficulties to the employees in the department, especially employees with many years of experience who were accustomed to the previous situation. The extent to which local practitioners felt uneasy with the change is proven by the fact that the majority of them felt deskilled just after the integration had been completed. Betty, team manager in the department, said:

“I think the initial reaction, from speaking to people, was that they felt that they had been deskilled in some way. And that they had a great deal of empowerment and a great deal of responsibility and they could really see how what they were doing delivered the company profits because they had a direct impact on that. So to lose that was difficult for them, there was an initial feeling of being deskilled where they were not so much delivering the company profits.”

Kenneth, also a team manager, agreed that indeed that was the reaction among the experienced members of the department:

“People with experience of selling deals to customers, being very price conscious, being very marginal whether something was profitable to them, and in terms of systems they were able to use the technology to evaluate if a deal was profitable, found it more difficult after the integration. They were quite happy with a particular way of working, so there is also something there like ‘we sell...this is the way we have always worked, if you are changing that, then my role is less of a role and potentially a threat’. There is a little bit there when people faced with change retreated to what they know, what they know is how to sell deals and be quite commercial, with that change there is a lot of uncertainty.”

Mary, one of the teleaccount managers, confirms that the feeling of being deskilled or losing some of the status that a teleaccount manager had in the “O’Hagan” days was quite strong after the company became part of “BL(UK)”. She says:

“I think we felt that there was something taken away from us really, regarding the negotiation with customers. We had some sort of freedom in the way we could arrange deals with them, we would be more active in gaining customers from the competitors. If the customers were getting products from someone else at a certain price, we had a price that we could negotiate or come down to, so we could do things like that with the customers and we could get them to a different pricing to get a business, and that was the way “O’Hagan” operated. Whereas, when “BL(UK)” came in we had structured pricing, that is something else, so yes I think we have lost few sorts of things, certain things have been taken away from us, we had the ability to make those decisions.”

The shift of focus on brands and quality also meant that some of the skills that the teleaccount managers were using in the “O ‘Hagan” days, suddenly were not so relevant under the post-integration situation. That was particularly the case with regard to what the former “O ‘Hagan” staff were calling “commercial skills”, i.e. skills about different brands and the possibilities of making a profit on those. As Val, another employee notes:

“I think we ‘ve lost some of the negotiation skills and commercial skills that we were trained for. We had to negotiate on price, on how to sell a deal. Now we have to talk about visibility and

quality. It is a different thing. And from the commercial stuff, I think I 've lost it because we are not quite using it".

The reaction that the shift of emphasis in the sales model evoked, required management to work towards convincing the employees that their role had not been diminished in status. Said Kenneth:

"There is a lot of reassurance around, about the role that we have here and I think what kind of gets the rest of the people is the day to day operations after that...actually seeing the reassurance in practice, actually seeing the differentiation, actually seeing how their role is going to develop. E.g. at the beginning of that process a lot of people were sort of thinking 'If we only have one major brand to sell that is 'Santa Helena', while before we would be selling a range of brands, Coke, Pepsi, Smirnoff, all of that, then by extension my role is contrasted because I am only selling one product and how much I can really put behind this'. And I think it is only since we have started putting the meat around these other things we wanted to do with 'Santa Helena', it's not only sales. It's about getting the right price, telling the customers about the price they charge and the margin they make, consumers they are getting and helping to build value around glassware and quality and all these other things, I think it has given them a lot more items to focus on. So I think that now they are getting to see how it works, while during the integration and right after it they had no vision of how this is going to work."

It is true that some of the initiatives the management of the department, in combination with the communication exercise described in the previous chapter, helped people understand the reasons behind the change in the ways of working and their roles within the company after the integration. However, from what the people themselves said at the time of the interviews, they would still sometimes look to the past with fondness while also there were other aspects of their pre-integration role that they were not willing to let go, as a later section will show.

What makes the Glasgow case even more complicated is, that apart from the change in the ways of working, another aspect that differentiated the post-integration context was a significant change in the group dynamics of the department, as many young graduates were recruited as teleaccount managers and their approach to their work contrasted sharply with the behaviour of the more experienced people in the department. Peter, the departmental manager, gives the following account:

"We have probably fifty to sixty percent of the department, they are people who have been here for a number of years, but in the past eighteen months we have recruited between thirty five to forty percent new personnel. And these people have been recruited with no previous background, so no

baggage to bring to the situation. And they have been recruited to the profile of young graduate, aspirational career, motivated people and they adopt working practices far more readily than people who had something to change. A lot about it has been stimulated from the opportunities that have come with "BL(UK)", taking over and getting a bigger company to work with them which allowed us to free up several people from our department over time who have been in other roles within "BL(UK)". So, I would say that there is a relevant split as a result of that because there are many people who joined us in the last twelve months as against the rest of the people who have been here three years or more and have been through the whole change processes. New people have no issues with the ways of working because they didn't know the previous ones."

This contrast of approach to the work between the old-timers and the newcomers is also confirmed by how Kenneth and Billy comment on the situation. Kenneth:

"New people have less baggage. They were very open when they got here. It's a case of "what is my role", whereas if you have been here for awhile, you have a perception of your role as what you did, and also your role within the hierarchy of peers as well."

Billy comments:

"A lot of that [approach to work] comes down to their level of confidence and their own ability but from my point of view it's still the same people who talk about the way things used to be, that are struggling with the brand concept."

From the given accounts, and as will be shown later on in the chapter, the difficulty of the experienced employees to adapt to the change and the relative easiness of the newcomers to use the concept of quality in their work, was a source of potential conflict and it constituted a further obstacle to the process of informal learning taking place in the department as a whole rather than within the confines of the four teams.

Another aspect of the context prior to integration that impacted on the extent to which informal knowledge sharing took place was the fact that the nature of the job under the "O'Hagan" model did not favour informal interaction and collaboration among the teleaccount managers. The fact that they would work with completely different pricing from one another – prices that could be changed from one week to another – and that the deals they would negotiate were specific only to their own customer base, definitely gave a very individualistic flair to the job where knowledge sharing would probably not add much to the ability of a teleaccount manager to achieve a profitable deal. Kenneth, being also a teleaccount manager during the "O'Hagan" days, reflected:

“O’Hagan” was less brand focused as I said. It was more about price, deals, margin and commercial knowledge. So, in discussions we tended to have around work, the issues tended to be...the responses to issues tended to be less creative. In a way, we asked people to be less creative. The issues were almost always seen as technical issues. For example, if you couldn’t sell a Smirnoff, or your customer wanted a different price, what you needed to do was to find a price that both of you liked and then you go forward. So, issues were of this nature and everybody would deal with that on their own. Now, what “BL(UK)” wants to do is to be having a brand or two, key brands, that people want at a fixed price, so now teleaccount managers have to be creative, on how they sell our brands and what we are trying to do with quality and visibility, and of course they cannot do that totally on their own. And that is quite a change in thinking style for a lot of people.”

What Kenneth says, confirming Billy’s previous observation on the fact that knowledge sharing was not a smooth process in the department, completes the picture of how the sharp contrast between the context which emerged after the integration, with many of the elements of the pre-integration days, did not impact positively on the need for informal learning and collaboration.

Having examined how the organisational context in both settings, facilitated but also inhibited to a degree informal learning and collaboration, the next section turns our attention to the extent to which changes in the content of practice in the telesales department reflect structural changes in the UK brewing sector.

6.4.2: The Influence of the Sectoral Context

This section explores the impact of changes in the UK brewing sector on the work carried out in both departments, primarily the telesales in Glasgow, where most changes took place, but also finance in Belfast.

Starting with the Glasgow case, it has been shown that the meaning of the telesales work had changed significantly since the integration of “BL(UK)” and “O’Hagan Brewers”. More specifically, although the basic description of the job as “selling products over the phone” remained the same, the mechanics of accomplishing that work were very different. The shift of focus to new areas, i.e. promoting the company’s own key brands, the use of structured (fixed) pricing and an awareness of

the importance of quality in selling beer, constituted quite a dramatic change, at least for people who came from the background of “O’Hagan”.

As mentioned in Chapter Three, the early literature on communities of practice (Lave and Wenger 1991) considered the shift in the “regime of competence” of a community, in entailing new elements, to come as a result of local negotiation and potential friction between the old-timers and newcomers in a practice, something that also contributed towards the continuity of that practice. This was a significant idea, which also made sense given the fact that this earlier literature focused on communities in the context of traditional apprenticeships, e.g. butchers, tailors, midwives etc. However, since the concept of the community has been applied into organisational contexts (Brown and Duguid 1991; Orr 1990), there has not been a consistent attempt to explore the extent to which that change in the content of a practice can also come as a result of influences located outside the community of practitioners. This is an issue worth exploring as it is related to the existence of different interests and the role of power, which in turn influence the ways in which informal learning and knowledge sharing – particularly significant in times of change, as it is the case here – develop.

Therefore, bearing this in mind, the section shows that the above described changes in the work of the teleaccount managers in Glasgow, were linked to structural changes – described in Chapter Five – in the beer sector of the UK drinks industry. First of all, the decision of the new company to concentrate on its own brands and promote those heavily mirrors the fact that, as mentioned in Chapter Five, the decision of conglomerates like “O’Hagan” and “Britco” to demerge their brewing divisions, allowed companies whose sole activity was brewing entry into the sector. It has been mentioned that these companies are focusing on their core drink, beer, and are pushing their key brands in the marketplace, trying in this way to grow the beer category in the on-trade (consumption in pubs and similar outlets) part of the business. Therefore, the decision of the new company (“BL(UK)”) to concentrate on its own brands and promote these heavily fits with the described structural change in the UK beer market. The importance of focusing on core brands, as a focus of the work of a teleaccount manager is underlined by Kenneth (team manager), who says:

"It's important to convey the message that we are not changing your role after all. What we do is actually giving you something which is to safeguard your future. And I think people have started buying into that, because there is a commercial argument there, a company that markets the product it makes. For example, we make 'Santa Helena' and we make x amount of money. We don't make Smirnoff. For the same amount of Smirnoff [product not owned by the company] you sell, you would make something like a fiftieth less money, then the argument works on quite a few levels. So, you have an argument there which, commercially, they can buy into. That is, there is a focus now on other areas, but in areas that will drive a long term growth of the business and that will give long term stability. There is an argument there, in line with a broader company strategy, which is about beer. "O'Hagan's" strategy was, 'we make money from beer and we buy hotels, restaurants and everything else'. "BL(UK)"s strategy is beer focus, 'if we make money on beer we will invest it in beer', there is quite a focus there that the money that you make won't go to finance hotels, it will be firmly around your core business."

Apart from the general argument of growing the core business by building strong brands, another reason more closely related to that decision was the separation between brewers and retailers, as a result of the 1989 Beer Orders and the entry in the UK beer market of foreign companies with no retail interests. Over the years, independent retailers became powerful in their supply negotiations with national brewers, something that meant the latter had a very strong interest in building pillar brands. This is reflected in "BL(UK)"s Market Overview 2004 where it is mentioned that:

"Just three companies, now control around 19.000 outlets – around one in three UK pubs. Such retail power is reminiscent of the days when national brewers dominated the retail environment, before Beer Orders forced them to reduce their pub estates. Now the split from retailing has been completed by national brewers, retailers will want the best brands in each category. Established distribution agreements come to an end and the forthcoming round of supply deals will enable retailers to 'cherry-pick' the leading brands to ensure they have the best range. In this shifting environment, brewers that are over-reliant on legacy contracts and don't have strong brands will come under pressure."

Apart from the focus on company owned brands, a further change in the work of a teleaccount manager entailed educating customers on the importance of selling beer as a quality product and as we saw this was also an aspect of the job with which many from the "O'Hagan" staff were struggling. Again, the decision to focus on quality is linked with yet another change in the beer sector, namely the decline in beer consumption in the on-trade and the simultaneous growth of the take-home side of the

business. In order to tackle the problem of declining volumes, the on-trade – which remains the main distribution channel – has been charging higher prices, but this was not enough to grow the beer category and this is where “BL(UK)”’s focus on quality comes into the picture.

According to the company’s 2004 Market Overview:

“The on-trade can address the growing take-home challenge through becoming ‘passionate’ about delivering quality. “BL(UK)” is encouraging retail operators to create a ‘live and breathe quality culture’ that is reflected at every level of the business. On-trade retailers need to work on widening the quality gap through addressing the whole consumer experience. This includes the way the beer is presented, its look and taste, and its dispense in a clean, branded glass. It also includes every other aspect of the pub experience such as service and general cleanliness. Beer accounts for 58% of an average pub’s turnover so the performance of the category is vital – and product quality is the key element that will determine its future health. Ultimately, it makes commercial sense for retailers to address quality as a matter of urgency. To justify higher prices in the on-trade, consumers are entitled to expect the quality of their experience to be better than the take-home experience. In some cases it is, but in many cases it isn’t and that is the scale of the problem.”

Given the company’s desire to tackle the decline in the on-trade part of the business – and the most vital for brewers – through addressing issues of quality, it is perhaps not surprising that this reflects on the teleaccount managers’ job, as this was one of only a few categories of employees that maintain regular contact with customers, thus operationalising the company’s strategy. Again, Peter (departmental manager) reflects on the importance of incorporating the notion of quality as an integral part of the telesales work:

“We don’t negotiate further on price, if you don’t wish to try on that price is fine. What we will talk further about, is visibility and quality. So, if you give us a good position we will give you a further discount, if you take the supply and let us do things in your outlet then we can give you a further discount but that’s all, the only further discount you will get is if you grow the business. We will have business conversations with you but they won’t evolve around price and that I think is the correct thing to do. I think there is no future in continually discounting your product. “BL(UK)”’s strategy is clear on those. What they have made clear is that the beer market is contracting and therefore price competition is business suicide for everyone. What, I think, the future is for “BL(UK)” and the other brewers is we need to think of some way to grow the industry and then there will be a bigger slice of money to go around and we then can differentiate ourselves in different ways.”

The above presented evidence shows that the changes in the content of the teleaccount manager's work, given the context of the integration of the two companies, were linked to changes in the brewing sector that the new company had to take into consideration in developing its strategy.

However, with regard to the Belfast case, the impact of the sectoral context is rather vague, as there were not many changes happening in the finance department, particularly in terms of the work carried out there. This is perhaps attributable to the nature of the work itself, as the finance department was always a supportive department to the business, and thus its employees were never in direct contact with the customers, and by extension the market. This is something admitted by Debbie, data processor, who comments: *"If you work for sales, telesales or credit control you are in more contact with the customer, as opposed to load information in your computer at an office, somewhere"*. Nevertheless, the fact that the finance department by its nature was not instrumental in realising the new company's strategy, does not mean that the above mentioned sectoral changes, did not impact in some way at the Northern Irish business as a whole. Robert, working in purchasing and accounts, describes a presentation given by the new Managing Director in Northern Ireland, a few months after the integration took place, in relation to bringing the business forward. Says Robert:

"It wasn't one of those charming presentations, it was very honest. The diagrams he showed didn't look good (meaning the facts about the company), they are all going the wrong direction. Others might have been completely shocked by them, because the inference was how the business communicated in the past it was based on targets. The reality is your targets were getting smaller every year, this is what was painted, the message was coming across that you might have your targets every year but every year your targets would do smaller and smaller a year, nobody ever said that before. So, some people were really shocked by them, but if that was the truth, something has to be done. We can't stay the way we are, we have to change. Equally, there is a very strong signal going out that...traditionally we were 'McManus Ireland' (Southern Irish business) and 'O'Hagan Ireland' (Northern Ireland), now we are one company, one market and we will only be successful, if we treat Ireland as a single market and get the business growing. It wasn't like if something happens to Dublin, it doesn't affect us, we have to grow, we have to succeed."

From what Robert is describing, the focus on sustainable growth as opposed to just keeping the business profitable, i.e. one of the main objectives that the change of the ways of working would serve in the telesales department in Glasgow, was also given

as the first priority of the Irish business as well. It is true that given access to only one department, i.e. finance, the above remarks only hint at the impact that this decision might have had in the ways other departments carried out their work. However, the fact that the author was only given access to the aforementioned department also indicates that this was a much preferable option to the management of the company, as they were not comfortable to allow research in departments where further changes would take place.

6.4.3: The Significance of Micro-politics

In the previous sections we saw how the organisational context prior to the integration impacted on informal learning and collaboration in both research settings, Belfast and Glasgow, while we also examined the extent to which a shift in the regime of competence of a practice (telesales, Glasgow) can be traced back to structural changes in the sector in which “BL(UK)”, operates. To the extent that changes in the content of the practice are not within the control of the practitioners themselves, there is the possibility of political activity to take place. However, before referring to the Glasgow case, it would be useful to consider, albeit briefly, the presence of micro-politics in the case of the Belfast finance department.

According to the data presented previously, informal learning took place relatively smoothly in the department in comparison to Glasgow and as mentioned before this could be attributed to the continuity of the context in the setting regarding the work, the dynamics within the department and the involvement in similar processes prior to the integration with “BL(UK)”. Thus, given the fact that the role of the participants with regard to their work was unchanged, it cannot be claimed that the issue of politics impacted on the way informal learning emerged as a process.

At the same time though, given the fact that the management of the Irish (Northern and Southern) subsidiary underlined the need to grow the business, it is impossible to think that this process of convincing the former “O’Hagan” employees of the need to change did not unfold as a political process. The factor of politics would simply become more prominent in the way the work was carried at departments more operationally central to the business, i.e. distribution, production or telesales,

departments which the author was not granted access for conducting research. Management expressed their wish for research to take place in a department where no further changes (after the integration) would occur, and that was finance. The reasons for such a decision become clearer from the comments of James, purchasing and accounts manager, who says:

“There is a lot of difficult decisions coming to the company the next six to twelve months and the extent to which we will achieve our objectives will depend on how you deal with it. It’s worth to stand and say we have challenges and that’s what we need to do. The question is what happens if the worst fears come true and there is a problem that will involve closing down activities and departments and the question is how that is going to be handled, what happens.”

Similar comments were made by several other interviewees in the finance department which means that uncertainty – after the integration took place – regarding jobs and various roles was present in the Belfast based subsidiary as well. However, although people were aware of the wider issues that the Irish business was facing and which could possibly impact on other departments, all of them transmitted a feeling of security with regard to their own roles and work, something that explains the lack of conflict in the way informal learning took place in this setting.

Turning our attention to the Glasgow case, and given the information presented in the previous sections of this chapter, it might not be surprising to see that the political activity impacted on informal learning and revolved around the role of the teleaccount manager, from the point of view of the old-timers, the newcomers and the management of the department.

From the previously presented evidence it should be clear that following the integration of “O’Hagan” and “BL(UK)”, the “O’Hagan” staff felt that they were deskilled and that they had lost a great deal of empowerment that they had enjoyed pre-integration. This was related to their ability to make decisions affecting the way their job could be accomplished. Another factor which possibly added to their feeling of powerlessness was that a further aspect of their job under the “O’Hagan” regime was customer service, which they were not able to undertake post-integration, as that role was now the responsibility of a customer service department in Gloucester, who were dealing with enquiries from throughout UK. That move towards centralisation

was not something that the former “O’Hagan” staff were pleased with. Peter, departmental manager, gave some background information on this issue:

“The people that historically have been here, used to do more for the customer than just selling products. We had a system which allowed the teleaccount manager to solve problems as well as sell. So from a telesales perspective they got value from solving customers’ problems because the customer had learned to trust this person, because if he had a service problem and that person solved it, then it enhanced the relation that they had with one another. As a result of this, we would have more sales as well. Now, within the “BL(UK)” model you have specific skill sets and customer service has been seen as a specific skill and it is done in Gloucester. So the relation with the customers was undermined relatively by this, you can talk about the negative aspects, so people here might have felt they are losing this aspect of the job. But the positive aspects are that there is a department that focuses on selling and adds value through selling [telesales Glasgow] and also there is another department that focuses on customer service [Gloucester] and delivers the best service it possibly can. I mean, the sales function would probably tell you that they would prefer a services department in Scotland but from a company perspective the operational efficiencies by having a department looking after the whole of the country is far better.”

Betty, one of the team managers with longer service in the “O’Hagan” company, adds some further comments on the reaction of the old-timers on the customer service issue. She says:

“I think, initially, because the “O’Hagan” model was that the customer should get one point of contact for all his business requirements and that was teleaccount management, the customers expectations were that service issues would be dealt with on that call as well as the order and the selling aspect. And from the teleaccount manager’s point of view, there is a real sense of ownership with the account, because basically they could help the person to grow the business and if there was a problem they could take care of it. So I think again this is one of the things that requires some work to be done, because although Gloucester are now taking the enquiries, there are certain limitations in what they can do sometimes, due to the fact that their department is restructuring at the moment. So, for several people here it is difficult to let go of the service aspect, they are like ‘I want to see it through, to make sure that everything is right’. And I think that this is driven by customer expectation as well, because the customers expect a level of service and perhaps are not getting that, because solutions were quite fast previously and now may not be so fast.”

The fact that the “O’Hagan” staff were still keen on maintaining that aspect of their job was first brought to the author’s attention in interviews with some of the “BL(UK)” line managers (based in Gloucester) that were involved in the integration project team in Scotland. A few months later, those views were confirmed by what

Peter and Betty mentioned and more importantly by the comments of the teleaccount managers themselves. Mary, with ten years of service for “O’Hagan”, says:

“I find it quite difficult to let go of that, because quite often what happens is, if a customer phones Gloucester there are certain things happening in the account that I don’t know about, maybe an emergency order, so at times there are things that we should be aware of and we aren’t. When we were with “O’Hagan” brewers we had our one point contact with customers, they would call us and you would know everything that was happening, because we would deal with it. So, to me that was quite a nice aspect of the job, I liked being involved and know everything that was happening and sorting things for them because you also build trust in this way. I realise that it might have been taking us away from the selling aspect, so I can see why they stress sales and they want customer service to deal with all the other issues, but that was quite difficult a transition for customers and the sales [staff], letting go things again while before we were involved with everything.”

Cindy, another experienced member of staff, gives a similar account of the situation:

“Not that I am a control freak, but I think you don’t have much control in managing your accounts because there are too many other influences. Before we dealt with all the customer service issues ourselves, whereas now there is the customer service in Gloucester and you don’t know what is happening with your account until you might find out there is a problem and what have you. There is a system you can go and check but with the load of calls we have to make to customers there is no time to go there and check. My opinion is that the customers would prefer to speak to the teleaccount manager in person. OK, maybe you lose the focus of promoting the brands and selling but personally I would prefer the customer service to stay here.”

Sally is another person who agrees with her colleagues’ views on the issue:

“Personally, I would rather have been involved in customer service issues because I don’t think a lot of my customers are getting a satisfactory service from Gloucester. I think it was a silly move, it was a silly move for Scotland. I think the job we did with the one stop shop was an excellent job and we were happy to do it, it was part of our role.”

However, the experienced members’ views on why they should still undertake customer service issues were not shared by other members of staff, including the younger management in the department. Billy and Helen joined the company during the integration project, and both of them led teams consisting mainly of younger recruits as well, with the exception of a few old-timers. Thus, their views on the issues tended to be rather different not only from the experienced teleaccount managers, but also from people like Peter and Betty who came from the “O’Hagan” background and could empathise more with the feelings of the old-timers, even though they

recognised the need to let go of any elements that would shift the focus away from selling brands and talking about quality with the customers.

Helen was quite enthusiastic about the idea of separating selling from dealing with customer service and did not agree with the experienced employees' views. She says:

"I thought it was a good idea, because it would free up the time for selling but they [the old-timers] wouldn't buy into it, and they created problems and there was a general 'Gloucester rubbish' attitude from them. So, they still take ownership of that [customer service], there are some reasons for that. There have been occasions when the customer service from Gloucester hasn't been great. It doesn't happen all the time, it's one off occasions. And rather than write that off and say it was a one off situation we will feedback to them and it won't happen again, people tend to say 'Gloucester rubbish', 'Gloucester can't deal with that'. So, that's an issue you have to deal with. So, on the one hand, there are sometimes some issues with service from Gloucester but we can pass some of the issues we are unhappy with, to them. But on the other hand, it's old habits, 'I am the person who can deal properly with that, so I am going to keep ownership of that'."

Billy offers a very similar account:

"I think all this is happening because they are control freaks. It's almost like 'I am not going to give up ownership on anything', it's a control thing and that stops progress because the guys in here...their time should be spent on selling, and selling brands and talking quality rather than spending 45 minutes to sort out a customer issue that Gloucester can easily deal with. You will always hear about the only time that Gloucester made a mistake, you will never hear about the 500 times that Gloucester did it right. And you might have heard the argument of 'the customers here expect us to sort things out for them', but it's always some customers with some people. So...that then tells me that these people are managing their customers like that. Because if you tell them you must go through Gloucester, they are going to have to do that. And it's only certain individuals that take those things on, so again then that tells me that... you know...you are keen on controlling things."

The idea that involvement in customer service inhibits people from engaging fully in selling, was also shared by the younger employees in the department. For example, Abdulah, who had been with "O'Hagan", a year and a half before the integration, thus being able to compare the two situations, comments:

"From my point of view it is better that customer service is based in Gloucester. Before that happened, a lot of your time was spent on it, you could have spent half a morning trying to arrange a delivery and extra delivery to a customer and in that morning there wouldn't be time to sell and you should have talked to customers. Now, we are more free to sell and meet our targets. And I think customers appreciate the fact that they can phone up and talk to a person rather than

wait for the teleaccount manager, because he is on the phone and you would have to spend half a day to arrange these things. And you know, as with anything, centralisation makes sense and I think people in Gloucester do a very good job."

This clash of views on the role of the teleaccount manager post-integration, caused a certain amount of polarisation which subsequently impacted on the way informal learning and knowledge sharing took place in the department. In a previous section it was mentioned that informal learning did not spread in the department as a whole and it was mainly restricted to the boundaries of the four teams which catered for different geographical areas in Scotland. However, given the composition of the teams, with Betty's team consisting mainly of old-timers with few young recruits and Kenneth's team maintaining a balance between the two camps, informal learning also mirrored this superficial division of old-timers and new-comers. Ian, one of the young recruits in the department working in Kenneth's team, mentions with regard to knowledge sharing:

"It's informal all the time. In breaks, people socialise and inevitably that talk about work comes and the ideas emerge at that time. So, you always talk to friends and peers about a problem rather than maybe the more senior members [in age] of the department. Some people in the office have been here for ten years, so these more experienced people have sometimes very set ideas on how they see things. I would get more nervous to walk up to them and say 'try this idea'. It's not fear I would say, but on the other hand you don't try to teach the old dog new tricks, you know what I mean. It's a difficult way."

Amelia, another young recruit working for Billy's team, confirms that the younger recruits would tend to share ideas among themselves. She says:

"My team is mainly a very young team, young people, so it is very natural that I exchange ideas with them on how to approach customers, how to solve some of the problems we all encounter. I wouldn't feel comfortable to ask any of the older people here, because to be honest they would probably tell me 'why don't you ask someone in your team'? So, it's the immediate people in the team that I share ideas with."

A reason for this consolidation among the youngsters of the department is given by Kenneth, who says:

"Formal team meetings is not where ideas sharing is happening – the main objective is to summarise where we are with regard to certain issues – but it still can give you an example of the situation. I have got newer people in my team who are perhaps looking for someone to take a lead, but when they are encouraged to come open with what they think, if they are challenged in a negative way by one of the people that have been here for longer, and they have certain

preconceptions, it can be quite demotivating for them (the new people). So, for that reason there is a tendency of new recruits to share ideas among themselves.”

That view is confirmed by the departmental manager, Peter, who comments:

“The older people here used to have an idea of themselves as very successful professional people, and I think they were. But now that their role has changed, they still are characterised by what I would call an inflated ego. And when it comes to relations with the younger guys, I think that they would not make the first step to initiate any exchange of experience or ideas. They would be like ‘I have more experience’ and the younger guys would prefer to stay among themselves rather than inflating the egos of the older ones.”

Bobby, one of the younger team leaders, offers a slightly different explanation for the relative lack of communication and exchange relation between experienced members of staff and newcomers. As he notes:

“ ‘O ‘Hagan’ people are more experienced, yes. But what I am finding is that as time goes on the value they used to have through that is getting less and less, because the new people are picking things up much quicker. So, the power base there was under ‘O ‘Hagan’, it’s now totally shifted (meaning on the advantage of new people).

The above data validate the remark of a previously quoted employee working for “O’Hagan” that “ideas sharing doesn’t spread in the whole team [department], it tends to be in our clusters”. The next section will show that given the conditions in the department post-integration, informal learning, even in a relatively limited degree as it has been described, might not happen without the efforts of management to legitimise the process. Also managerial activity would be directed towards reducing the barriers between experienced staff and newcomers, thus trying to strengthen informal learning in the department as a whole.

6.4.4: The Influence of Managerial Action

This section examines the role of managerial action in encouraging informal learning in the Glasgow telesales department given the circumstances which did not favour such a process, and also in “convincing” the “O’Hagan” staff of the necessity of the company’s new direction which impacted on their ways of working and their roles as they perceived them prior to the integration. Although it is discussed after the section on micro-politics (to facilitate the flow of the data), managerial action did not occur in

a linear fashion as a response to the issues previously identified and there was an interplay of micro-politics, resistance and efforts of management to overcome these issues.

As mentioned, soon after the integration was completed, the experienced teleaccount managers perceived the change as quite dramatic to the extent that they felt deskilled and powerless. One of the first initiatives to address these worries and to help people understand the reasons behind the change in strategy was the communication exercise known as project Root, which as we saw in Chapter Five took place throughout the UK, thus being relevant to the whole of the “BL(UK)”. The project and its rationale were well received among the research participants, including the former “O’Hagan” staff. Anna, employed by “O’Hagan” for three years prior to the integration, speaks positively of the experience:

“The Root sessions were good. It was good to look back and see how the brewing industry has changed. Just thinking about how things have changed and how they are going to change further in the future, how consumers have changed as well, it was really good and it brought home as well the way the company is shifting. Because that’s where the industry goes as well and if you think you can see the change and see how you can influence it, that’s important. I quite enjoyed it.”

Apart from the fact that people could actually see some of the reasons why the content of their jobs changed significantly in comparison to their roles in “O’Hagan”, the participants also took on board some of the ideas discussed in the sessions, namely the rise of specialty brands and how this could be used as a tool to make beer as popular a drink in restaurants as wine. For example, Linda says in relation to this:

“Everybody did Root and it was good because we took some things away. So, now as a result of this we have started working on beer lists – you know like wine lists – speciality beers, so we are targeting customers, we are doing some research and gathering information from customers, so I have 11 nominated accounts and I am gathering information to see if they were interested in doing this, finding out how much they would sell beer for, and it went quite well, only two people refused doing it.”

The positive impact that the project had on how teleaccount managers thought about their work was something recognised by the management of the department as well. It also gave them the basis to follow this exercise up by initiating a discussion with the employees on how they saw their role after the integration. Peter, departmental manager, gives more information on that:

“I think slowly they are coming towards the way of thinking that “BL(UK)” would like them to have, but we have a lot of work to try and integrate those people within the “BL(UK)’s” ways of thinking. Project Root, in which everyone was involved, helped them understand why the company had to focus on beer brands and the beer market and I think they can see why the decision has been reached to take that path if you like. Also, another thing we did was a leadership piece that was done through the team managers of the department, which asked them to tell us based on what they knew, how they would like to be perceived by the rest of the organisation. What they see as their objective to achieve, their definition of what success could be. So if they had a choice to measure themselves, what they would measure. And they produced a list of aspirational quotations if you like, about what they wanted their job to be about, how they wanted their job to be measured, who their customer was and what success could be, what would be the best result they could get. And they actually defined the objectives of the department which were very much based on the education through the project Root. So they have defined, rather than having us telling them what we would like them to do, they have set the measures for their own success. I don’t think it is a coincidence but based on the learning they have they defined success as we would like it to be, so they speak about beer products and not factored [not company owned products] products, they speak about growing the quality of the brands, all of that. If you take what they would have said six months or a year back when we were still “O’Hagan”, that would have been profit, tell me how much money I made.”

The information that Peter gives with regard to the discussion on the ways in which the teleaccount managers defined their role and their objectives was confirmed as the author had the chance to study several organisational documents related to the integration and the objectives of the company. One of those documents was a hard copy of a presentation given in the department by the line managers on the future objectives of the department, in which several of those “aspirational quotes” of the employees were included. This was the first hint that the main message conveyed through the managerial activities would be “this is not what we are forcing you to do, it is your own choice as well”.

However, the fact that the teleaccount managers readily adopted the objectives of the department – and by extension the company’s – as their own, applied mainly to the case of the new recruits. Peter’s own words that people were *slowly* coming towards the “BL(UK)” ways of thinking summarise all the issues previously described from the point of view of the old-timers in the department. Continues Peter:

“On the other hand though, there is still an aspect of them that glorifies the past, they look back with fondness about what they had, but when they had it, they weren’t happy with that either. So, I think there is an aspect of their personalities that it’s good to criticise what is going on now,

because it is changing. We have people who have been here for ten to twelve years, they have seen numerous changes and they probably have forgotten most of them, the most immediate thing they can remember is what is happening now."

From what Peter describes, in spite of the positive impact of the communication project which made people see the reasons for the changes in their ways of working, there was still a tendency to look back and compare unfavourably the present situation to what their role used to be. Thus, it is not surprising that the majority of experienced employees in the department were finding it difficult to adopt the idea of quality as part of their job, and they were still missing aspects of what their role entailed prior to the integration, namely customer service.

Given the difficulties that a significant amount of people were facing with regard to the change in the ways of working, it was picked up early on that apart from training on the idea of quality and other formal courses, one of the ways to help people cope with the challenges of the job was through informal knowledge sharing. Again, taken into consideration the feelings of the experienced employees after the change took place, managerial action was instrumental in legitimising the rationale for such an informal process to take place. This was initially achieved through the idea of a "wall board" which was related to outstanding performance in the department.

The board was placed at the entrance of the office where telesales was based, and it referred to some of the people who had been successful in achieving certain targets, it would describe their achievements and it would also include snippets on how they managed to achieve their goals. This would stimulate an interest around the office in how certain people coped with the challenges of their job and it would establish the idea that seeking advice from colleagues and exchanging knowledge is an integral aspect of the work. Kenneth, the team manager, provides a brief explanation of the idea:

"If you look outside the office there are boards which are updated every month around best performance within the office, who's performed well, who's got a good story to tell, so sort of visual representation of what people are doing and getting people to both shout about their own performance but also to shout about other people's performance, the idea of raising the standard for everyone."

This was an idea that indeed contributed to the willingness of the employees – the old-timers included – to share knowledge informally. Although the experienced staff were struggling with the new concepts and were uncomfortable with the fact that their role was changing, they could see that engaging in informal learning could help them cope with the challenges in their everyday work. Anna, quoted above, explains:

“We have testimonials in the board as you enter the office and if there is somebody who has done particularly well you can ask them how they did it and they will tell you the all day story, how it happened and that’s how we share knowledge. It’s like in my case, this morning I had a promotion which didn’t work as well as I expected, and some of my colleagues gave me ideas about why it hasn’t worked and what I could do about it, so we share ideas all the time. You hear someone in the office was doing something and you ask them what you are doing, how you are doing it, because we all have certain targets to meet.”

Maggie, experienced employee, also underlines the necessity of informal knowledge sharing for coping with her job. She says:

“Not only it is a good idea to share knowledge, I think in a sales environment you have to do it. You have to be creative in how you are selling your product, because after say four years of selling the same brand, customers get tired and know what to expect from you. So, you always have to adopt new ideas as part of your job and never take your customers for granted.”

The “wall board” idea was a local initiative, conceived by the management of the department as a way to trigger informal learning, given the difficulties that a significant number of employees were experiencing in performing their jobs and which were also impacting on how they perceived their role post-integration. A similar idea, which was initiated from the senior management as it was related to the integration of the Scottish subsidiary into the “BL(UK)” culture, was the award ceremonies in September. This event had already taken place once at the time this research was carried out and its rationale is explained by Kenneth. He says:

“We have a different office culture to our peers in Gloucester, our peers in Gloucester have a culture where they celebrate success, and they reward success differently. I don’t know if you can go too far to say it is a Scottish thing but Scottish people don’t shout about their success and celebrate it in a big way. What we are trying to do, on the cultural side, is we try to explain to employees that there is a general feeling within the organisation set by our board director that we are a recognising culture that rewards excellence and celebrates excellence if you like. Part of that is key performance indicators, with bonuses to maintain that, but it’s also the recognition of your peers, which is something we didn’t have in “O’Hagan”. So what we are trying to do now, along with the Gloucester model, is to get peers and superiors to nominate and recognise other people’s

performance. There is a ceremony in September, there are a number of categories, there is no cash prize, you get a trophy and it takes the form of a business presentation: what we have done this year, what the future may hold, what our strategy is, some presentations by board members, marketing. The categories are around distribution, visibility, quality, customer perception of us and you can be nominated for excellent performance by your peers and line managers. Nominating your peers is giving some recognition, what they have done, and how you have changed your ways of working because of something that someone else has done. So that was a little bit different for us, we are still a long way from getting people to think about how people around them work and what lessons they can take from people in terms of learning happening in everyday work rather than in a formal meeting."

Although by the time the interviews took place it was the early stages of implementing the award ceremony idea, Kenneth's comments imply that the idea as a symbol that would further underline the significance of informal learning was not as well received among the employees, mainly the old-timers, as the "wall board" initiative. Maggie, one of the old-timers, who spoke enthusiastically of the necessity of informal learning in a sales environment, comments in relation to the awards:

"I hate it with a passion, I just feel we are paid to do a job, we have a good salary and I don't think there is a need to shout about it. Share ideas with the colleagues yes but there is no need to show off and there are many people who don't like it, nobody likes to boast about themselves. It works for "BL(UK)", it works within "BL(UK)" already, but it's very new to us and I don't know...maybe Scottish people do not like to boast, it's not the way we used to work."

Mary is of the same opinion as her colleague:

"I don't know, they are trying to do it here but I don't think we are used to say we are very good at this or that, put yourself up for things, yuk, it's not a Scottish thing. I think what they are trying to do is get you to know as many people as possible. It's very difficult for you to say, "oh I did this and I thought it was brilliant", but they are trying to make us know other people, saying 'that was a really good idea', maybe that's easier to do."

Mary through her comment adds a different dimension to the purpose of those ceremonies, i.e. apart from celebrating performance and implicitly recognising the significance of exchanging knowledge with your colleagues; another objective was to bring people together. Given the fragmented nature of informal collaboration in the department, this objective of reducing the communication barriers that impacted on learning was also to be pursued by the establishment of departmental "champions" in three categories, i.e. promotions, quality, and "Santa Helena" (beer brand) activities.

One person from each of the four teams would undertake the role of champion in each one of the above categories and he or she would meet up with the three other champions from the rest of the teams once per month to summarise where activity within the department was in relation to each of those three areas, and to perhaps think of moves forward. Although it would normally be easy to think of that initiative as one aimed at strengthening knowledge sharing per se, the actual motive behind it was to improve the social relationships in the department, so that informal learning could take place beyond the barriers of geography and, more significantly, age.

This became very evident as several of the experienced members of staff, most of them working in Betty's team, had undertaken the role of the champion and they had had to meet – in some cases for the first time ever – and talk to the younger members, as was obvious from the meetings the author attended. This was a step forward in comparison to a few months before. Then, people were admitting to not even knowing their colleagues in other teams and to “trust” only people in their teams as a pool where their ideas could be tested first, before bringing them forward to the attention of other people in the office. However, it was still early stages and some of the barriers still existed. Said Peter with regard to the initiative:

“We start having a more departmental feeling and the boundaries that may have existed through geography are less prescriptive and people start having more of an appreciation hopefully about what the department tries to achieve collectively rather than individual teams or individual people within teams. Having said that, I think that we still have a way to go.”

Peter's comment was relevant to the fact that, as shown above, the old-timers had started to understand the reasons for the change through the Root project, and to recognise themselves the benefits of engaging in informal knowledge sharing but at the same time they were eager to criticise other aspects of organisational practice, for example the cultural integration efforts described above, and the decision to centralise customer service as an operation.

This behaviour is best reflected in Kenneth's comments:

“I think that people have understood what we are trying to achieve, what “BL(UK)” is trying to do, that was an easy sell, mainly through project Root. There is an appeal that you can make to people that you want them to be professional as well, and they understand that. So, them criticising something like the award ceremonies...this is an easy area for them to criticise. I think

there is a cynicism there, but I don't think we see much of it in formal meetings anymore, perhaps places where this happens is canteens, tea rooms...where you have a call of people that will take their fifteen minute break at 10.15 and go to one room and tell all the bad things and come back in and just get on with the job. And everybody has examples, I have examples in my team of people that work very hard, adopt ideas that might work for them, but within that 15 minute break, if you like, they tend to take a different view because that places them better with certain peers."

Linking the discussion to the information presented in the previous chapter, the behaviour of the former "O'Hagan" staff, which impacted on the extent to which informal learning took place in the department, was explicitly linked to the way the integration project was managed, in an organisational document assessing the success of the project. In that document it can be read that:

"it is clear that any major change initiative must consider exhaustively the impact and potential reactions this may cause on those whose perception of order is being disrupted. In this area, whilst consideration to those affected was given and communication forums were established, the time and human resource dedicated to this fell short of what was needed to engage the full endorsement of the programme (the project) and resulted in rejection of many cultural and operational practices by the majority of the telesales staff. This is now a recognised output that requires addressing."

6.5: Explication and Explanation

Having presented relevant data related to the emergence of communities of practice in Glasgow and Belfast, the objective of this section is to provide an explanation for the differences observed in the two settings. This task, as mentioned in the introduction of this chapter, has been informed by the critical realist idea that a sound explanation should draw on the existence of deep social structures that act as generative mechanisms capable of causing (contingently) observed events.

In addition to providing an explanation for the differences regarding the emergence of informal knowledge sharing, and through a discussion on the influence of micro-politics, a further objective of this section is to clarify the role that those in managerial positions might play with regard to this process. Drawing on Harris' (1980) distinction between primary social practices (aiming at the transformation of resources into products and services) and secondary social practices (aiming at the coordination of the former), the main argument presented here is that the ability of

senior managers to identify the potential of various communities (of primary social practice) and thus to directly control their activities should not be taken for granted.

6.5.1: Examining Knowledge Sharing in its Wider Contexts

As mentioned earlier, one of the main limitations of the communities of practice literature is the study of informal learning and knowledge sharing in their wider contexts. The fact that organisations are embedded in institutional contexts (Greenwood and Hinings 1993) has not been taken into account, despite Brown and Duguid's (2001, p.201) remark that studies on the ways individuals in firms learn a job should consider the milieu in which they work. The implications of such a statement have not yet been fully explored in relation to how the wider social milieu impacts on the way communities of practice develop and the role that power differences and micro-politics play in such a process.

Conducting research from a critical realist perspective has the potential to address these limitations through a focus on deep socio-economic structures that act as generative mechanisms which cause certain events and – in interaction with agency – produce, reproduce and/or transform organisational forms (Reed 2002, p.19). In this case, the focus on a merging organisation – a concrete organisational form – helps turn our attention on the one hand to structural changes in the UK brewing sector and on the other hand to the dynamics of growth – inherent in capitalist economies – that can be identified as mechanisms that impacted at the workplace level, through the strategy the new company pursued. Those generative mechanisms have been identified through the process of “retroduction” mentioned in the introduction of the thesis. This process involved interplay between information derived from the data and abstract thinking about the nature of contemporary capitalism.

In relation to this study we saw, in the previous chapter, that one of the main reasons that led to “O’Hagan PLC”s (a diversified corporation) decision to demerge their brewing division – following the gradual demise of vertical integration – was that although they were enjoying a strong position in the UK brewing market (second in market share), they saw limited opportunities for growth. However, those very same structural changes that led companies like “Britco” and “O’Hagan” away from the UK brewing market, gave “Brewers Limited”, a company eager to expand internationally,

the chance to further consolidate their position. Linking the elements of sectoral changes and growth dynamics with local workplace changes, the reader should be reminded that the acquisitions of “Britco” and “O’Hagan” were simply the vehicle for “BL”’s entry in the UK market.

Nevertheless, the objective of the new company was to be the dominant player in that market. This could only be achieved with the company pursuing their own strategy for selling beer (at an operational level this was translated into the changes in the telesales job in Glasgow), and it was also clear that the strategy had to address structural changes in the sector (powerful negotiating position of retailers, decline in beer consumption in the on-trade). Having explained why those two elements have been identified as generative mechanisms, it is important to further clarify this observation by reference to two more ideas outlined in Chapter Four.

Firstly, generative mechanisms need not have the same impact in different contexts. Given that research in the social sciences takes place in open systems where many mechanisms operate simultaneously, either in cooperation or counteracting each other, the activation of a mechanism and its manifestation are not given but dependent on the contingent nature of specific contexts (Tsoukas 1989). Thus, with regard to the two settings, we saw how the mechanisms of market changes and growth dynamics impacted strongly on the workplace context of the Glasgow telesales department, directly affecting the content of work there, but did not have any significant impact on the Belfast finance department. The contingent conditions of the local workplace context did not favour the activation of the above identified mechanisms. Evidence for that was the fact that the nature and content of the work in the department were unaltered with also well established social relations not being disturbed by the event of the merger. In turn, the identified continuity of the historically embedded set of norms and conventions around the nature of the workplace and the labour process in the department – not irrelevant to the feeling of job security experienced there (in contrast to other departments in the Northern subsidiary) – helps explain the relative absence of conflict and the limited managerial activity (at senior levels) regarding the way knowledge sharing unfolded.

Secondly, a focus on generative mechanisms does not lead (and it should not) to a structural determinism that does not recognise any possibilities for individual action. As Reed (1997, p.31) has put it “the conditioning effect of structure on agency is not one of mechanical determination...it is that the prior emergence of the relational properties and principles that inhere in social structures impinge on current actors and their situations as they unavoidably find themselves operating in pre-structured contexts and interests that shape the social struggles in which they are implicated”. The fact that structures, although a product of agency, acquire an independence from it, means that actors participating in social interaction, enter pre-existing patterns of social relations in which – as was mentioned in Chapter Four – they occupy different positions, for example landlord and tenant, or manager and worker (Fleetwood 2004; Tsoukas 1994).

According to Ackroyd (2004, pp.148, 154), with regard to the positions they hold within collective structures “different groups of participants have differential room for manoeuvre, for securing outcomes in their favour and for shaping the attributes of the broader pattern of relationships”. The idea that various groups enjoy different possibilities for action helps appreciate the existence of power differences. Continues Ackroyd (2004, p.148): “Very crudely expressed, managers as a group are distinguished by the power (backed by the board of directors, the shareholders and the framework of law) to decide how a company will be organised, what activities will be undertaken and how many people will be employed. Nevertheless, the structure of an organisation will not be precisely as one group decrees that it will be. There is the countervailing and resisting action of other groups within the organisation to be considered, as well as the effects of external agencies”.

The above observations are important in relation to this study because they help reinforce that the recognition of the impact of generative mechanisms (sectoral changes, growth dynamics) does not necessarily reduce agents to bearers of structures. They also show that in many cases the exercise of agency in organisations is related to the emergence of conflict.

With regard to the first point, the data show that there was a significant room for agency at the senior managerial level. This is evident by the fact that “Brewers

Limited” were able to take advantage of the changing structure of the brewing sector in the UK in order to enter this market (through the acquisitions of “Britco” and “O’Hagan”). Also, these structural changes did not only present potential constraints for the new company. They also presented “BL(UK)” with the possibility of pushing their own unique strategy for selling beer which was clearly differentiated from the “O’Hagan” approach.

With regard to the second point, some room for agency also existed at the lower levels of hierarchy and it illustrated the potential for conflict. More specifically, with regard to what the data have shown, it would be naïve to assume that the former “O’Hagan” staff in Glasgow would unreflectively accept the changes in telesales work. On the contrary, it should be stressed that the line managers’ potential for control to ensure that their subordinates pursue activities and objectives that do not necessarily constitute their own choice is mediated by the latter’s discretion (to a certain extent shaped by factors outside the managers’ direct scope of control, e.g. past experiences, long acquired professional identity) on what actions to pursue in the course of their jobs (Knights and McCabe 2000, Tsoukas 1994, 1996).

As mentioned earlier the employees in both settings did not have a say in the decisions pursued during the integration, and which as we saw affected them directly. With regard to the Glasgow telesales department in particular, we saw how the dramatic shifts (from the point of view of the former “O’Hagan” staff) in the content of work and the role of the teleaccount manager (through the centralisation of the customer service aspect of the job) were rooted outside the influence of the local community of practitioners. Nevertheless, as the research evidence shows, these people were not completely passive either. Micro-politics and in particular the effort of the Glasgow participants to maintain even partial control over their jobs, and thus not to lose the status their role reflected pre-integration, exemplifies the above point.

At this point it should be clarified, however, that the behaviour of the former “O’Hagan” staff can hardly be interpreted as a conscious attempt to resist managerial control as it was mainly the result of an attachment to past dispositions on the telesales job and the need to maintain a sense of continuity. Nevertheless, it makes more meaningful the action pursued by the line managers and it shows the limitations

of such an endeavour as well. As we saw previously, the evidence related to the role of management does not settle well with accounts that have allocated it a central role in directly controlling the formation and activities of communities of practice. This is the issue to which our attention is turned next. In particular, the difference of the extent of managerial involvement in the two settings is explained with reference to the concept of management as practice (Harris 1980).

6.5.2: Explaining Managerial Involvement

As mentioned above, the objective of this section is to focus closer on the issue of managerial involvement in relation to knowledge sharing in communities of practice, thus providing an explanation for the divergence of its impact in the two research settings. Starting with the Belfast finance department, specific attention is given to both the diverse challenges that different organisational contexts pose to managers and to the indeterminate nature of organisational knowledge.

6.5.2.1: Managerial Involvement in Belfast

As mentioned earlier, in Chapter Three, the task of understanding the diverse impact of managerial action in different settings – in relation to informal learning and knowledge sharing – requires a move away from monolithic models of management and its depiction as an all powerful actor engaged in rational control (Swan et al. 2002, p.482), and the adoption of the approach of “management as practice”, which according to Reed (1984, p.279), “is sensitive to the empirical diversity and social ambiguity of managerial practices through which collective social action becomes sufficiently structured”.

Central to this understanding of management is Harris’ (1980) distinction between primary and secondary social practices with the former aiming at the creation of products and the provision of services and the latter aiming at the co-ordination of the various primary practices. Based on that distinction, a definition of management – related to this study with its focus on communities of practice – is provided by Reed (1984, p.281) as “that secondary social practice through which administrative regulation and control is established and maintained over those activities and relationships in which non-managerial practitioners are engaged by virtue of their

membership of communities of primary productive practice”. However, an important point is that the ways in which the objectives of administrative regulation and control are accomplished differ across various organisational contexts as managers are faced with different requirements and challenges in their efforts to assemble diverse primary practices. This helps to explain the difference in the extent to which managers became involved in encouraging informal knowledge sharing in the two settings.

In relation to the Belfast finance department, we saw that senior management did not play a major role in shaping those informal interactions, even though these had started happening to a certain degree before the integration took place. The reasons for that can be traced in the above description of management as a secondary social practice, aiming at the coordination of diverse primary productive practices. As Brown and Duguid (2001) have underlined, membership in different communities of practice creates epistemic differences, thus limiting the scope for shared practice to take place. According to Brown and Duguid (2001, pp.201,207), “people with different practices have different assumptions, different outlooks, different interpretations of the world around them and different ways of making sense of their encounters”, thus explaining why a technician and a CEO in a large organisation might have more in common with their counterparts in other organisations than they have with each other.

Therefore, with regard to the Belfast setting, the continuity of the workplace context and the absence of significant change meant that people in senior managerial positions continued engaging in their established practices – related to the coordination of their subordinates’ actions – without being forced to look at, and therefore not being aware of, the details of how work related to the provision of service was accomplished on a day to day basis. This was indicated in the interviews with the finance director in which the main issues mentioned with regard to the merger were the limits in financial and human resources in completing the integration project. Although the introduction of inferior IT systems in the department was also extensively discussed in those interviews, mainly mentioned were the efforts of senior managers to convince their staff that there were no alternatives other than the adoption of those systems, rather than a focus on *how* the local staff managed to make the systems work for them. An absence of awareness of the informal interactions among the Belfast practitioners was also reflected in several interviews with middle-level managers (as

opposed to line managers), who only stressed the significance (from their point of view) of the formally established corporate paths of collaboration (a favourite example was the possibility for local Belfast staff and managers to contact IT specialists in the headquarters) rather than the informal knowledge sharing undertaken by and referred to in the interviews with the line managers and employees.

In addition to the fact that senior managers are involved in practices different than those of their subordinates, the indeterminacy of organisational knowledge (Tsoukas 1996) is another element that helps explain the relative lack of awareness of the former of the existence and significance of informal collaboration taking place at the lower levels of the hierarchy. A distributed sense of knowing within organisations is perhaps inevitable, given that – as we saw in Chapter Three – knowledge is not a static, self-contained entity but is continuously constituted through the various practices actors are engaging with (Orlikowski 2002). That in turn, poses certain limitations to the ability of those at the apex of the hierarchy to identify and encourage the informal knowledge sharing activities of their subordinates.

6.5.2.2: Managerial Involvement in Glasgow

Shifting focus to the Glasgow telesales department, the comparatively more active role which management played in encouraging knowledge sharing, is explained by viewing management not only as a secondary social practice but also as positioned practice. This point is directly related to the relational nature of social structures. Therefore, not only do agents occupy different positions when entering social relations, they are also engaging in practices consistent with those positions (Fleetwood 2004). For example, tenants pay and landlords receive rent, managers provide guiding directions and employees take those into consideration when performing their jobs. Although actors have the freedom to carry out these practices in various ways, the role, say of a manager, and its interlinked practices would still exist even if a particular individual was replaced (Fleetwood 2004, p.45). Engaging in a positioned practice brings agents in contact with various mechanisms and thus managers with reference to their position in a wider industrial structure are endowed with the mechanisms of control and cooperation (Tsoukas 1994, pp.297-298) and as

has been noted earlier their activation is contingent on the specific circumstances organisations face.

Bringing the discussion back to the specific workplace context of the Glasgow telesales department and the conditions surrounding the emergence of knowledge sharing leads to a focus on the managerial mechanism of cooperation. Although Tsoukas (Tsoukas 1989; 1994) has suggested that the managerial ability to elicit the subordinates' cooperation is mainly achieved through the provision of material and *symbolic* rewards, here it is maintained that the same objective, i.e. the enlistment of cooperation of the local practitioners (particularly those coming from the "O'Hagan background) was, at least partially, achieved through the involvement of the Glasgow line managers in the management of meaning (Pettigrew 1979), which aimed at the legitimisation of the changes in the ways of working and of knowledge sharing as a process. Therefore, in this case the management of meaning could be thought of as a multifaceted activity, including the potential use of symbolic rewards, as the previously mentioned example of the annual "BL(UK)" awards has showed.

One of the main reasons that required the local management to seek the cooperation of its subordinates was the reaction of the former "O'Hagan" employees to the changes in the content of their work. The shift from negotiating sales deals based on price to solely selling "BL(UK)" brands as quality products was not their choice. A consequence of those changes was that their pre-integration knowledge had become almost redundant under the new situation while at the same time the new recruits that joined the organisation post-integration did not have any difficulties in familiarising themselves with the new sales model. Thus the relations between the two categories of employees could be characterised as relatively antagonistic.

As the interview quotes have showed (particularly in section 6.4.3) there was still an attachment, at least partially, of the experienced employees in past dispositions representing a specific logic regarding the telesales job. Those dispositions were contrasting with the current view of their role, (favoured by management) which was anchored in the context of the merger (Tsoukas, 1996). According to the evidence, in favouring an understanding of practice that would allow them to engage with aspects of their work that had ceased to exist, namely customer service, the experienced

employees were keen in reinforcing their pre-integration status and maintain a sense of control over their jobs. In contrast, the new recruits were supportive of the changes in the content of work, and as a result of that were closer to management's understanding of how the job should be performed post-integration. This divergence in the meaning of practice post-integration (between those two groups of employees) reinforces a point made by Zilber (2002), who in her research on institutionalisation processes has suggested that struggles over status and influence are rooted in struggles over the meaning of organisational practices.

An example of this divergence in understanding practice was the fact that as the data showed, on the one hand employees from the "O'Hagan" background were justifying their willingness to engage in customer service by referring to the targets they had to meet as part of their job and how difficult this was in many cases due to the fact that their immediate customers were unsatisfied with the service they were receiving from the Gloucester staff (where the centralised customer service was based after the integration). On the other hand, the new recruits would justify their commitment to the new "BL(UK)" sales model by stressing that a focus on sales only, enabled them to meet their targets more easily, as they were not distracted by customer service issues. The existence of conflicting understandings (regarding the telesales role and which responsibilities or tasks would or would not be included) and interests led to a superficial division between old and new and subsequently to the fragmented way in which knowledge sharing started to emerge following the integration.

Given this political activity, we saw how the line managers embarked on activities that represented the political aspects of managing change (Pettigrew and Whipp 1991) in order to generate support for the new sales model and overcome the above described limitations in knowledge sharing. Within this context, particular care was given to clarifying the meaning of successful practice reinforcing, in various ways, the role-related expectations (Tsoukas 1996) deriving from the context of the integration. More specifically, mention was made of the way in which management capitalised in the relatively positive impact the educational aspects of the earlier "Root" communication exercise had had among the staff (as was explained in Chapter Five, one of the principle reasons of the exercise was to convey to the participants the reasons for the change in the strategic direction and the main ways in which the new

company's strategic vision would be fulfilled) in order to open up a discussion with the employees on their aspirations with regard to their role after the integration. Those discussions produced several quotes on the part of the telesales employees (including the former "O'Hagan" staff) and the ones closest aligned to the language presented in the "Root" exercise were used in subsequent presentations by the line managers on the new sales model. This was done to convey a picture of the teleaccount managers "driving their own agenda" and to demonstrate that the new model was not forced onto them, but it was also their own choice, given their awareness of the wider picture of market changes. Apart from the ways of working, we also saw how symbolic management, through the idea of the wall board, was involved in legitimising knowledge sharing as a process and presenting it as an integral aspect of everyday work in the department.

Since it has been shown that the involvement of the line managers was to a significant extent related to the legitimisation of knowledge sharing and the changes derived from the context of the merger, it is appropriate to briefly clarify the nature of legitimacy in this case. Thus, according to Suchman (1995, p.571), there are "three primary forms of legitimacy: *pragmatic*, based on audience self interest; *moral*, based on normative approval; and *cognitive*, based on comprehensibility and taken for grantedness". Given this distinction, it can be argued that in this case legitimacy was primarily of a pragmatic nature, since it was related to the changes promoted by the new organisation ("BL(UK)") and how they might affect the well-being of its audiences (here the employees of the telesales department). From the above discussion, it is clear that the introduction of the new sales model (i.e. change in the content of work) was presented as a decision that would not affect negatively the role of the teleaccount managers but, on the contrary, it would "safeguard their future" (line manager in Chapter Six), in terms of stable employment in the long term – provided that the organisation would be successful following a new strategy (to which the change in the content of work was related). Similarly, presenting knowledge sharing as an integral aspect of work was anchored in the same argument, i.e. that engaging in such an activity could provide employees with the potential to be successful in their work, something that would be positive both for them and the department.

From the evidence presented we saw that apart from the legitimisation of the new sales model, and more importantly the rationale for informal knowledge sharing, a further aspect of managerial involvement concerned the improvement of the social relations in the setting. The idea of the “departmental champions” – as mentioned previously, a rotating role shared once per month by each member of the four teams – aimed at the reduction of communication barriers between the former “O’Hagan” staff and the new recruits and at a further development of a common understanding of practice post-integration. The reasons for such an effort can be explained by the fact that the conditions in which social interaction takes place in a setting can possibly impact on the way knowledge is shared (Pfeffer and Sutton 1999). Andrews and Delahaye (2000) in their research on individual micro-processes and their influence on organisational learning have stressed the importance of a “psychosocial filter”, i.e. a mix of social and psychological elements that can play a significant role regarding knowledge importing and knowledge sharing activities. Although Andrews and Delahaye’s research concerns network rather than intra-organisational relations, two elements derived from their research are of particular importance here, those of social confidence and trust.

The two authors describe social confidence as an individual’s ability to initiate working relationships – aimed at knowledge sharing, in our case – with others and they conclude that the individual’s personal comfort zone together with the perceived approachability of others influences the ease with which people can initiate contacts (2000, p.801). As the relevant data have showed there was a tendency among the newcomers in the telesales department to share knowledge solely with their peers and a relative reluctance to initiate any contacts with their more experienced counterparts. The fact that the power base in the department had shifted on the side of the new recruits due to their ability to quickly adapt to the needs of the job post-integration, definitely contributed to the existence of relatively antagonistic relations between the two camps. Thus, as we saw in section 6.4.3 the indifference or relative hostility, in some cases, with which the newcomers’ ideas or views were met by the old-timers in the monthly meetings led to a lack of comfort to approach the former “O’Hagan” staff in order to share relevant knowledge and to the view that “you don’t teach the old dog new tricks”.

The above described conditions meant that a required amount of trust, crucial in exchange relations (Von Krogh 1998), was also lacking. In Andrews and Delahaye's (2000, p.806) research – given their focus on network relations – trust was anchored in a commercial context and was mainly related to the perceived reliability of people in handling “commercially sensitive information”. However, in the context of this research far more relevant is the view of trust as “a willingness to be vulnerable to another party”, which apart from a belief in others' reliability also arises from confidence “in the good intent and concern of exchange partners, their competence and capability; and their perceived openness” (Nahapiet and Ghoshal 1998, p.254). The conflicting views of the experienced members of staff and the new recruits on their role as teleaccount managers and in many cases the lack of familiarity – expressed by several participants in the interviews – with each other certainly put in doubt any belief in the good intent, the capability and the openness of others.

Although it would be naive to assume that the idea of departmental champions (introduced just at the time the interviews were in progress) would immediately resolve the tension between the two divided “camps”, it was certainly aiming at a gradual improvement of communication and a strengthening of social ties between the former “O'Hagan” employees and the newcomers in the setting. That, in combination with the legitimisation of knowledge sharing, which was mainly pursued, and achieved to a certain extent, through the wall board idea, would lead to the development of a common understanding of what successful practice involved in the department.

The above analysis, incorporating the idea of management as a secondary social practice and referring to the causal powers that define the nature of management, has hopefully helped to show why managerial involvement in relation to knowledge sharing differed greatly between the two settings. In particular, it has been shown how different contexts require involvement in diverse managerial practices for the coordination of actions of practitioners engaged in primary practice. Therefore, legitimacy management emerged as a particularly important aspect of managerial work in Glasgow but not in Belfast. That meant that the specific workplace context of the telesales department favoured the activation of the managerial mechanisms of

cooperation, which although still existent in the Belfast setting were dormant given the specific contextual conditions there.

Additionally, the picture that has emerged from outlining the reasons that necessitated a more active managerial involvement in Glasgow and the specific ways in which management sought to legitimise knowledge sharing and mobilise commitment around the new sales model, is consistent with an idea that managers, with reference to their position in organisational hierarchies and their access to specific resources, have the ability through symbolic management to “motivate organisational members to share knowledge and act in firm-benefiting ways” (Weeks and Galunic 2003, p.1343). On the other hand, the reader has to be reminded that evidence presented so far has also shown the limitations of such efforts, in particular the efforts of the parent company (“BL(UK)”) to culturally assimilate the subordinate “O’Hagan” part of the business through the establishment of award ceremonies that conveyed the message that the culture of “BL(UK)” was one recognising and celebrating success and excellence. That local managerial efforts to reinforce knowledge sharing were met with more acceptance in comparison to those of the parent company, can be explained by the fact that at times of change, which seem to destabilise the beliefs of established groupings (in this case the former “O’Hagan” employees and the perception of their role), outsiders’ (as “BL(UK)” was perceived) attempts to “unfreeze” those beliefs might in fact lead to further resistance (Fiol and O’Connor 2002).

Finally, the fact that line managers *had to* be involved in activities aimed at the legitimisation of learning and strengthening of social relations and the mixed results of those efforts (particularly when combined with the more formal “BL(UK)” approach) meant that they were not powerful enough to simply follow a rational plan and act out their intentions.

In closing this section it has to be underlined that the above discussion has led to an understanding of managerial action that does not agree with Wenger et al.’s (2002) view on the possibilities for “cultivating communities of practice”. Wenger et al. (2002), and earlier Wenger and Snyder (2000), offer a rather prescriptive account of how communities of practice might be developed within organisations as a result of managerial intervention. In particular, senior executives are assumed to identify with

relative ease potential communities of practice and no consideration is given to epistemic differences that accrue from the engagement in different social practices (Brown and Duguid 2001). According to the evidence of this study, those differences place in doubt the ability of senior management not only to recognise, but in some cases to be aware of informal learning activities taking place at the middle to lower levels of the organisational hierarchy. Furthermore, the findings related to the Glasgow case – in particular the efforts of line managers to legitimise knowledge sharing and their mixed results – have uncovered issues of control over jobs, professional identities and conflicting views over the meaning of practice. Wenger and his colleagues have overlooked the implications of these issues in relation to informal collaboration and how they might render problematic the attempts of those in managerial positions to directly control the formation and activities of communities of practice.

6.6: Summary and Concluding Remarks

This chapter has set out to examine in some detail how informal processes of learning and knowledge sharing might emerge within the context of organisational change. Given the limitations identified in the communities of practice literature the main objective here was to place those processes in the meaningful contexts within which they unfold. Therefore, the chapter has focused on the relative impact that the workplace context as well as the wider sectoral context in which “BL(UK)” operates, had on the emergence of communities of practice in the two settings. Additionally, attention has been paid to the influence of conflicting interests and diverse understandings of practice on the way knowledge sharing unfolds. Specific consideration was also given to the issue of “managing” communities of practice.

As the data have shown, the event of the merger triggered informal processes of knowledge sharing, but those unfolded quite differently in the two settings. A comparison of Belfast and Glasgow before and after the merger is provided by the tables 1 and 2 respectively. The contents of the tables are derived from the discussion in section 6.4.1 where the workplace context of each one of the settings was described with an emphasis on the content of the work, the expected departmental contributions and the nature of social relations. Additionally, the tables also summarise what was

discussed in sections 6.4.3 (the importance of micro-politics) and 6.4.4 (the role of managerial action).

Table 1: Comparison of the two settings before the merger

	Belfast	Glasgow
Content of work	Processing and providing financial information <ul style="list-style-type: none"> - Codified nature of work - Routinised processes - Work processes readily accepted 	Negotiating sales deals with customers / Providing customer service <ul style="list-style-type: none"> - Routinised processes - Autonomy in achieving work (work process reliant on on-the-spot negotiation) - Latitude in how objectives are achieved
Social relations	Well established <ul style="list-style-type: none"> - Embedded norms of interaction (based around relations of trust) 	Well established <ul style="list-style-type: none"> - Established norms of interaction - Presence of trust - Greater individual discretion in achieving outcomes
Expected departmental contributions	Support department to the business (mainly sales and delivery functions) <ul style="list-style-type: none"> - Administrative role - Inward facing 	Direct contribution to the business strategy <ul style="list-style-type: none"> - Income generation - Outward (customer) facing
Knowledge sharing	Content of work implications <ul style="list-style-type: none"> - Limited opportunities for widespread revisions - Incremental change endemic - Routinised 	Content of work implications <ul style="list-style-type: none"> - Autonomy favouring individuality in pursuing work objectives - Individuality limits communal activity - Individuals become knowledge silos

Table 2: Comparison of the two settings after the merger

	Belfast	Glasgow
Content of work	<p>Processing and providing financial information</p> <ul style="list-style-type: none"> - Change not impacting on key elements of work/practice - New IT systems downgraded - Low risk - Codified nature of work - Routinised processes - Work processes readily accepted 	<p>Main focus of sales on “BL(UK)” brands, using fixed prices / Educating customers on the importance of quality / Not responsible for customer service</p> <ul style="list-style-type: none"> - Change affecting the content of work/practice - Change result of the new strategy - Change linked to wider sectoral changes
Social relations	<p>Stability</p> <ul style="list-style-type: none"> - Group dynamics unaltered - Established norms of interaction - Consensus over key element of work/practice - Presence of trust - IT does not restructure department 	<p>Turbulence</p> <ul style="list-style-type: none"> - Group dynamics politicised by merger - Divergent understandings of work/practice resulting from the recruitment of new staff - Lack of trust between incumbents and newcomers
Expected departmental contributions	<p>Support department to the business (mainly sales and delivery functions)</p> <ul style="list-style-type: none"> - Administrative role - Inward facing 	<p>Direct contribution to the business strategy</p> <ul style="list-style-type: none"> - Income generation - Outward (customer) facing
Knowledge sharing	<p>Continuation of past activity</p> <ul style="list-style-type: none"> - Nature of change in line with past experiences - Established norms of interaction - Line managers as co-participants in the process 	<p>Politicised</p> <ul style="list-style-type: none"> - Exogenous change generating higher levels of uncertainty - Competing views on telesales role - Line managers active in encouraging and legitimising the process
Knowledge sharing outcomes	<p>Routinisation</p> <ul style="list-style-type: none"> - Resulting from continuity in the nature of work/practice 	<p>Improvisation</p> <ul style="list-style-type: none"> - Resulting from change in the nature of work/practice

The two tables provide a visual representation of the relative continuity of the workplace context in the Belfast setting and the significant degree of change in Glasgow. At this point the reader has to be reminded that the difference in the nature of the two settings (with regard to the above mentioned three elements) and the degree to which it underwent significant change post-integration, influenced the impact sectoral changes and growth dynamics had locally. It also influenced the degree to which knowledge sharing would unfold as a political process in the two settings and the role that those in managerial positions would play. Also, as we will see in detail in the next chapter, the content of work and the role-related expectations of the practitioners in the two settings would impact significantly on the outcomes of knowledge sharing activities.

In summary, the empirical evidence and discussion in this chapter has made clearer that the benefit of studying communities of practice in the context of change is twofold. Firstly, it has allowed a grounded analysis of these processes which has integrated the possible influence of the macro-contexts within which they are embedded. Thus, the contingent impact of certain aspects of the wider socio-economic context has opened up the possibility for treating informal learning as a political process.

Secondly, the use of the communities of practice concept in this study has helped us better understand organisational change, especially with regard to issues of implementation. In a literature where the focus is usually on the actions of managers, communities of practice can raise our awareness about the role that informal knowledge sharing and improvisation might play in interpreting organisational change and make it happen at the operational level. This is particularly the case if one chooses to concentrate on the *meaning* that *practice* obtains (whether it has been maintained or changed) in the context of organisational change. The way that *practice* is understood at the micro-level can definitely influence the form informal collaboration might take and the way objectives related to change at a strategic level might be realised locally. At the same time, and perhaps paradoxically, the focus on the frictions that might arise around the meaning of practice has the potential to help us develop a more critical understanding of managerial activity in relation to informal learning at the workplace.

CHAPTER 7: THE PROCESS OF KNOWING IN “BL(UK)”

7.1: Introduction

The previous chapter examined the way informal knowledge sharing within communities of practice unfolded in the two settings and the extent to which such a process was influenced by the organisational and sectoral contexts, taking also the role of micro-politics and managerial action into account. Having examined the way in which communities of practice emerged in the context of the integration, the current chapter will now be narrower in scope, focusing on individuals and on an understanding of knowledge as action.

As we saw in Chapter Three, within the context of communities of practice knowledge related to non-canonical practice (in many cases circulating in the format of war stories) is knowledge shared and possessed collectively and not individually. The body of knowledge in question cannot be known in its totality by any single individual in a community of practice. However, it is the individual members of the community that draw on this collectively shared knowledge when engaging in tasks related to the practice of the community. This is reflected in Tsoukas and Vladimirou's (2001, p.979) definition of knowing as “the individual ability to draw distinctions within a collective domain of action, based on an appreciation of context or theory or both”. As the authors remark, “such a definition preserves a significant role for human agency, since individuals are seen as being inherently capable of making (and refining) distinctions, while also taking into account collective understandings and standards of appropriateness, on which individuals necessarily draw in their work” (p.979). Thus, this chapter draws attention to the specific ways in which the members of the identified communities of practice made use of “community-possessed” and also personal knowledge in the context of their everyday work as it was shaped by the merger. This task is informed by the dynamic perspective, presented in Chapter Three, which stresses knowing as part of action rather than knowledge as a commodity that *needs to and can be managed*.

Indeed, in contrast to the mainstream view of knowledge as a resource to be codified, transferred, retrieved and exploited to secure unique capabilities and financial gains for firms, the *processual* perspective argues for a view of knowledge in relation to the

social context of concrete practice within which it is created and applied. This focus on knowing as part of action also leads to the rejection of the claim that all knowledge can be made explicit, and that personal (tacit) knowledge is merely uncodified explicit knowledge. Instead, it is suggested that tacit, dispositional knowledge (also defined as “know-how”) rooted in specific contexts of action cannot be converted to explicit codified knowledge (“know-what”), as “know-how” is what makes “know-what” actionable. Therefore, an important point is that within the context of knowing, i.e. engaging in a certain practice and interacting with the world, both tacit and explicit knowledge can emerge (not convert into each other) in relation to the specific objectives at hand.

Consequently, the main objective of the chapter will be to take a step further in empirically connecting issues of knowledge creation and application with purposeful action taken in the context of the two settings post-integration. From that viewpoint, rather than concluding that the ultimate objective of these processes is the generation of explicit knowledge to be harnessed by the relevant organisational parties – as the normative literature on knowledge suggests (Nonaka and Takeuchi 1995) – it is shown that the practice in which the members of a community are involved not only determines the way knowledge flows (Brown and Duguid 2001) but also plays a significant role in influencing the possible outcomes of informal knowledge sharing.

The two settings are contrasted with reference to the nature of practice, which defines the tasks participants are expected to undertake and the requirements they need to meet, and to the roles they occupy, which define the contributions they are expected to make in relation to certain organisational objectives. Given these two elements, the outcomes of informal collaboration and learning were very different.

Research participants in Belfast embarked on informal knowledge sharing and, through a process of learning by doing in real life situations within their work, managed to use their various pieces of dispositional knowledge in order to generate new informal (i.e. deviant from the formal corporate guidance) rules that informed their work and allowed them to maintain high levels of performance. In contrast, relevant knowledge in Glasgow was shared in the form of exchanging stories related to sales. However, this “community possessed” knowledge was not elevated to the

level of representing new routines or one “best” way of performing the job post-integration. Instead, this kind of knowledge used within the context of the individual practitioners’ work (their customer base, the geographical location they catered for, their personal selling style) would help to enhance their personal knowledge even further and to constantly adapt their ways of working thus remaining innovative in the course of their practice.

Tsoukas and Vladimirou (2001, p.989) have underlined that organisational knowledge is characterised by the dynamic interplay between the general (codified propositional statements/generic rules) and the particular (more personal/informal knowledge). If this is the case, then what the following evidence shows is that the extent to which organisational members will rely more on either of those types of knowledge in the course of their work (as a result of knowledge sharing activities) is dependent on the particular practice they are involved with.

7.2: The Process of Knowing in Belfast

Starting with the finance department in Belfast, this section examines the process of knowing and its results in relation to the roles of the research participants and the nature of work/practice in the setting. With regard to the former, it has already been mentioned that finance was a support department and therefore expectations for performance concerned mainly operational objectives, i.e. processing orders, issuing invoices and responding to customers’ technical enquiries accurately and within specified time scales. With regard to the latter, the nature of practice in the setting could be described as codified, as the successful performance of the majority of the tasks was dependent on the mastery of rules and routines related to the operation of IT systems. Tim, the manager of the data processing section, and Christian, involved in setting up a new pricing system, reinforce the above point, by describing their roles during the integration project. Tim says with regard to his role:

“The section is responsible from what they class from sales to cash, so it was a wide area and I was sort of part of that. Coming from the older systems, I was responsible for setting a customer file and maintaining it. After that, I was involved with the sales ledger. The department looks after all the sales ledger processing of cash and credit notes and invoices, so I had to get involved in how the “BL(UK)” system process all that information. Another area we covered was the confirmation of our delivery notes coming in from our lorry drivers. They eventually come to this

section and we confirm them, 'yes that's what the customer has received' and that then produces an invoice for the customer. So we had to look at how that was the same or different and organise and change it."

Christian also paints a similar picture regarding the role the IT systems played in the department:

"We had over 3000 customers to set up in the new systems and it was pretty hectic. Apart from implementing the new system, I had to consult with the "BL(UK)" people about what the new system was, also I had prices to structure and to design a new discount form, so there were a lot of things going on as well as working on the loans systems and data processing."

However, despite the codified nature of the work and the reliance on rules related to running certain systems and processes, the use of these in concrete practice was also dependent on the "know-how" (Brown and Duguid 1998) of the everyday work in the setting exhibited by the participants. As we saw before, perhaps the most characteristic example of this approach to work was the customisation of the new systems and processes to suit the needs and objectives of the local practitioners, something that – not surprisingly – had not been taken into account by the "BL(UK)" headquarters, as their understanding of the finance jobs in Belfast and thus the formal corporate guidance (training, manuals etc.) with regard to those was limited. From the presented evidence it has been shown that the customisation of working procedures was reflected in informal manuals that the participants themselves produced in an effort to clarify where, how and why their approach would be different from the formal "BL(UK)" routines and guidance. Christian makes clear that the discovery of new ways of working was afforded by the constant interaction of the practitioners with the particularities of their everyday work and by their expectations of the new systems' features. He said:

"The system [the new pricing system] itself is massive. There is a lot to learn from. There is no day that we don't learn something in the system, some different things that could be used. Especially the people who are using it, they now find different ways of working that we hadn't discovered during the integration, probably because now they are working on it the whole day, and that's their job, so of course they are going to find different ways that were better than what we had discovered initially. So, as a result of that we have produced our own manual, which is a new paper here, we are using it now and it shows us things that we have done, where we have done it and how it was done."

As seen in the previous chapter, informal knowledge sharing and customisation of working procedures in the form of informal manuals was a theme referred to by several interviewees from various sections in the department. Another section in which a similar approach was followed with regard to ways of working was the data processing area, as Tim demonstrates:

“Basically, all the jobs that we know we do, we have sort of written up the procedures in our own sort of way of thinking. We have taken the manual, we know the steps one to ten and we have sort of said at certain steps you must do this or that, so we have structured the manual in a way that suits ourselves, so we understand it better.”

The above example gives us a further insight into the ways in which informal knowledge was put into action and how this process led to the result described by Tim, i.e. the emergence of new informal rules guiding the everyday work in this section. The starting point of the whole process is directly related to the above mentioned idea that dispositional knowledge (“know-how”) acquired in practice plays a central role in making propositional knowledge (“know-what”) actionable (Brown and Duguid 2001, p.201). Therefore, once the new systems had been adopted as part of the integration of the two companies, local practitioners found it necessary to rely to a great extent on personal knowledge in order to make sense of the systems and make the best use of them within their everyday work. As we saw in Chapter Five, an example of this was the creation of personal notes on how to use the systems, a point which Pauline, a data processor, reminds us of here:

“I have worked in this place for more than ten years and I have seen several systems, plus I do a lot of external study as well – not necessarily for the job – a lot of different computer courses. So, even when we were working with the old systems, I preferred my own notes. I always do everything, step by step instructions in my head, I say ‘you do this first, and after this, that’ and I write those down. So, in previous systems, if someone was coming in, say a temp [person employed on a temporary basis], and I had to train them I would show them my notes, this is the way I explain things in case someone has a question. So, I would show them my notes and at the same time I would show them how to perform the tasks on the screen, because unless you are sitting in front of a screen and you are putting the information, you won’t get an exact idea of how to do things. But of course you cannot resolve all issues by yourself, so I would ask some of my colleagues in case I had a problem with something.”

The last point Pauline mentions, the limitations for people in relying solely on their own understanding and knowledge, was what led the participants to collective action

to get a complete picture of what the new systems could do for them and which improvements were possible in the course of performing their jobs. Additionally, collective action was also necessary with regard to specific work objectives to be achieved as part of working in this section of the department. As Debbie, a data processor quoted in the previous chapter, describes:

"We have our personal business objectives in our section and one of those was obviously saving some time, because it became apparent that the new systems were slower in many areas. So we looked at all the jobs we have and how we could make them quicker or make them better, because we knew we would not be given any extra members of staff, so we should work better and smarter."

As we saw previously, the discovery of better ways of working within the systems was the result of a process of complementing each other's personal knowledge through informal interaction and of course this process was what facilitated the creation of new informal rules which guided the participants' work. Tim, the line manager, was involved in the creation of the informal manual, and gives a good description of the process:

"In terms of the manual, there was an input there from all of us. There were certain things that I knew better, so I was able to do that on my own but there were also many things where I had to ask the girls 'what happens when we get there?', especially on the delivery docket confirmation side, they would know more about it than I would, because they are doing it more often. So they would have their input to make sure that I was covering all the areas and putting in all the steps. And again using the example of the delivery confirmation, we sort of went through it on the system. It wasn't a case of them describing it, you know. We were waiting till a scenario came up, we wouldn't invent one, and then I would have sat with them and they went through it step by step, 'this is how we do it'. And then I would have taken notes, then I would ask them to review them, 'is that right', so a two way thing really, we have seen all the action, what was happening and how we resolved it and then I asked them to review the procedure."

From what Tim and the other participants described it is shown how new rules, which in the literature would be described as explicit knowledge (although still deviant from the canonical rules of "BL(UK)"), were the result of knowledge linked with action. More specifically, it is shown how explicit knowledge was not tacit knowledge "externalised" (Nonaka and Takeuchi 1995), but the result of informal interaction of the members of the community not only with each other but also with the context and artefacts (i.e. the formal corporate manual) of their work (Cook and Brown 1999). Additionally, the above observations show that an exclusive focus on explicit

knowledge in the form of formal work routines and rules might overlook the fact that underneath the surface of canonical practice (bureaucratic rules) lie informal rules and routines that actually inform the action of individuals and groups, reflecting the subtleties of their everyday work. Thus discussions on the role of explicit knowledge in organisational practices and outcomes should distinguish between formal corporate rules and what Gomez and Jones (2000) call conventions, i.e. informal institutional norms and routines hidden from view that account for effective action. Finally, the fact that the result of informal knowledge sharing in a community (in this case the reorganisation of the ways of working in the form of informal routines) is dependent on the nature of practice – which in this case required standardisation of working procedures – is also implied by Tim’s comments on what the future may hold for his section and the finance department in general:

“At the moment in our department we have tried to do the best we can, because we know we are not going to have any system changes done to make our life easier and we are not going to be able to ask for something like that either. So, to do something better, we have to look at our own ways of working and our own procedures. Obviously, looking ahead we know that in two or three years time, when “BL(UK)” change their systems, we are going to have yet another system and from what I have been led to believe, it will be again a take it or leave it situation, so the onus is going to fall back on us to amend our ways of working to suit the system. So we want to be as efficient as we can now, so that in two years time is not going to be as big a shock maybe, changing. If we get ourselves nice and tight now, and our ways of working the best we can, then it’s not going to be a shock in two years time.”

Having taken a look at how informal knowledge sharing was put into practice in Belfast and where it led in terms of results, the next section examines the results of the same process in Glasgow.

7.3: The Process of Knowing in Glasgow

This section examines the process of knowing and its results in the Glasgow setting. Before presenting evidence on this issue, it is important to contrast the nature of practice and the role of the participants with those of their Belfast counterparts. As mentioned before, teleaccount managers as part of the company’s sales force were considered to be at the forefront of the company’s efforts to materialise its strategic objectives. Consequently, the nature of the practice, particularly after the integration, was such that it required creativity in the task of selling. Therefore, although the

participants had to be aware of the importance of quality and the company's own brands, the existence of rules or routines about how the products would be sold over the phone was limited, and this made more room for improvisation on the part of the employees. This point is stressed by Linda, one of the more experienced employees of the department:

"You can't have a standardised approach because it's a selling job. You can maybe do that in a call centre, a helpline where they are dealing with certain enquiries, so it can be scripted if you like. You can't do that here because every call is different and every account is different. So, in every call you have to plan what is your objective and what to do with that account and how you do it has to be as it comes. You go with what works for you, the chemistry between you and the account and obviously you build the relation with the customer. The objective is maybe the same with the person who sits next to me, but the approach has to be different. You need to approach every customer differently, so you can't script that."

As was shown in the previous chapter informal knowledge sharing, despite its various limitations, was seen even by the more experienced employees who were struggling to adapt to the post-integration reality as a process facilitating the improvisation with customers and thus the achievement of sales. Informal knowledge sharing had mostly taken the format of war stories related to sales circulating around the office, but the very nature of the work which had made that process a necessity, also influenced to a great extent its results. To be more specific, it is useful to cite what Ian, one of the young recruits, had to say with regard to knowledge sharing and the application of the shared knowledge in practice:

"There are always new products, new ideas and I think that's the way "BL(UK)" is going. They want to be the market leader, so they have to come up with new ideas. So, among us, it is important that we adopt new ways of working and new ways of approaching problems, considering as well the amount of time we are spending on the phone and we are talking to the same people maybe twice a week. If you go on with the same kind of chat twice a week, they soon get bored and they won't listen to you, while a new approach maybe freshens things up for the relationship with the customer as well. So, it's important and we share ideas. Someone would say 'you had a problem with this or that, why don't you look at it from that approach'. Everybody is dealing with the same situations, so what is the best way to do that? Maybe we don't put it down in pen and paper to see which is the best way of approaching it but it's a tool with different edges and you should be able to approach different situations in different ways."

Characterising the "community possessed" knowledge as a tool with different edges is a good way to describe the fact that shared knowledge can impact on the way people

embark on a particular practice but at the same time its use will also be influenced by the specific context in which practice takes place. This explains why, as we will see, this “community possessed” knowledge shared in the format of exchanging selling stories did never come to represent new rules, routines or one best way to perform the telesales job post-integration. This is also reflected in what Jonathan and Maggie say on interacting with customers using the community shared knowledge. Jonathan says:

“It is useful to share ideas, I think the more ideas you have, the better chances of success you have. But then, when you are speaking to the customer on the phone, yes you can use those ideas but every person has their own style. So, if you can enter new ideas into your style, it’s even better.”

Maggie is even more specific when she says:

“A personal approach there is definitely...I know the customers, I know whether they are loyal or not to us, or which ideas would work with them, whether they would buy into those ideas. So there is a certain amount of ‘I have got this new idea from my colleagues, I am going to try this new approach’, but I would still know what kind of customers I could approach. And that’s just through experience and spending time talking to these customers.”

The particularities of dealing with individual accounts, catering for different geographical areas and adopting a personal selling style as well, made the standardisation of the community shared knowledge almost redundant. This was best reflected in the fact that when employees thought of gathering some of the lessons of people’s selling stories in a database, which was called DVQ (distribution-visibility-quality, a database related to the idea of “selling quality” over the phone), they preferred to rely on their informal everyday interaction and the adaptation of ideas contained in their stories to achieve their job objectives. Amelia, the young employee quoted previously, says:

“There are stories from the job and lessons learned, in the DVQ database, it is for everyone to use but I don’t know if it is updated as much as it should be and also I don’t know if everyone uses it really. We do know that is there if we need it, but I don’t know if everyone uses it. I think this is due to the fact that sometimes you know that you have things that work in your area and you know the things that don’t, so everything in there is not going to be applicable, or at least not in the same format, so if you have your own idea of how to make things work for you, you tend to just run with that.”

Jonathan also stresses the importance of informal interaction but from a different angle:

“I think interpersonal relations are important. In the sense that when I am sharing a selling story with some of my colleagues, I have the chance to tell them everything that happened, all the details, and they are quite enthusiastic about it as well. But if you go to the bigger office and send an email saying, ‘here is the deal and what I did’ it becomes just an email, people will not discuss it as much this way, the enthusiasm is less as it goes to more people.”

All employees involved expressed the opinion that a standardisation of their jobs as a result of knowledge sharing would inhibit rather than facilitate the achievement of their objectives. The surprising element was that although managers were encouraging informal knowledge sharing, they too were aware of the limitations of placing boundaries in what successful practice was. In that way, they were acknowledging individual improvisation as a source of innovation. Peter, the departmental manager, comments:

“We don’t have a written set of operational standards if you like, you know ‘this is the way to do things’, we still want individual flavour to come through, we want people to be creative. What is important to develop is the skill base and develop the knowledge wide enough so that they can adapt the knowledge to a selling conversation and have as many different ways of selling that brand or that deal to the customer. What we are trying to achieve is sales excellence, so we are trying to develop towards that standard but we haven’t prescribed how that standard actually looks on each individual call. In general what we want is the teleaccount manager [job title] who is on the telephone to have a wide enough variety of skills and to be able to speak as wide enough as he possibly can. So, the objective is not to create one best way of doing things but as many ways of doing things as you possibly could. I am not saying that there is one answer to this, this sales ability, it’s as many skills as you can use in your conversation with your customers.”

What also became apparent is that not only the nature of the job impacted on the particular approach to knowledge sharing and application described above but also the organisational context as it emerged after the integration of “BL(UK)” and ‘O ‘Hagan Brewers’. Continues Peter:

“In “O’Hagan” we had...if a TAM [teleaccount manager], was sitting on the phone and their manager came and accompanied them for the day, and listened to them speaking to their customers, they would have a check sheet, to say, you know ‘you did this, you evidenced that’ and they would go through this check sheet which had ten different sections and they would look for examples, but we are not prescribed to that now and this is something I wouldn’t want to go back to [Peter although working previously in the department, only became a manager during the integration]. All we want to say is to identify what the minimum standards are, and if you don’t achieve this then you are not performing to the telephone account manager level and we would manage your performance accordingly. But we don’t want to say ‘this is how a call should look’,

because customers then can learn to expect what somebody is trying to construct to sell to them and they will stop them at a certain level of the conversation. So if they start creating a selling story, customers can very quickly say no, whereas if they can adapt their selling story based on a conversation then they will get sales anyway, providing that there are different ways to do it."

The above presented evidence shows that in the case of the Glasgow setting reliance on rules and routines, or "best practice", would actually inhibit a constantly innovative approach to the job necessary for organisational objectives to be met. Ian, the young graduate, gives a final example which illustrates Tsoukas' (1996) idea that resolving tensions between role-related expectations and personal dispositions in interaction with the context of a specific practice is a source of innovative capability.

Says Ian:

"Everybody has different ways of selling and different approaches that work for them. So to come out and say, 'we want you to do things this way' I think a lot of people in the department would take that negatively rather than positively. If you know that this is not going to suit your customers, your customers aren't going to be happy with this and it makes your job a lot harder. It's the relationship that is affected by that, so it's very difficult to come in and put boundaries on how we sell things. Obviously there is an approach, we want to sell things from the line of quality...this is the way we are coming from and everything should come from that. But this is also difficult sometimes, when you get other companies, wholesalers etc; talking about price all the time. Your customer comes on it and they want to talk price, but we still want to reinforce quality and there is a balance that you need to get. And it's the individual who needs to address that balance. In every call we have an objective but it is difficult sometimes as well, because it is dictated by the customer and whether or not they are accustomed to this idea of quality, so you try to use some of your colleagues' ideas to deal with that, but there is still a lot of individual input. When you are trying to focus on the job and the company's objectives, it is interesting to bring that balance."

7.4: Explanation

As mentioned previously, the presentation of the data in this chapter has been informed by the processual perspective described in Chapter Three, which examined the relationship between knowledge and knowing as part of action. Within this context, mainstream accounts on knowledge sharing, creation and application, in particular Nonaka and Takeuchi's (1995) model of knowledge creation, were criticised for seeing those processes separated from the social context in which they occur and from the potential objectives they aim for. As Newell et al. (2002, p.163) mention, "the tendency to neglect the links between knowledge and its purpose

reflects an assumption that there is a linear relationship between knowledge creation, accumulation and outcomes. The Nonaka account, where ideas are progressively and seamlessly translated into products, is a good example of this perceived linearity". At the same time, Nonaka and Takeuchi's (1995) remark that sharing tacit knowledge is a limited form of knowledge creation and their insistence on the necessity of "converting" tacit into explicit knowledge that can be exploited by the organisation as a whole, have similarly being questioned by Cook and Brown (1999). The two authors stress the importance of social context, concrete practice and objectives at hand which influence the outcomes of processes such as knowledge sharing, creation and application.

In an effort to link knowledge to action and specific business objectives, Newell et al. (2002) examined processes of knowledge management within the context of organisational innovation. In particular, they connected different episodes of the innovation process with specific approaches to knowledge sharing and application, i.e. agenda formation and selection was linked to a networking approach, implementation was linked to a community approach, and routinisation was linked to the cognitive approach where IT plays a central role.

The aim of this chapter was to continue this exploration of knowledge sharing and application in relation to purposeful action, but the approach taken here is somewhat different from the one employed by Newell et al. (2002). Thus, the focus here is on linking informal knowledge sharing occurring in the emerging communities of practice in the two settings to specific objectives emerging from the context following the merger of "BL(UK)" and "O'Hagan". We saw that the format that such a process acquires and its outcomes were directly influenced by the nature of work in the two settings and the roles that the practitioners occupy in the organisational hierarchy that shape the contributions they are expected to make with regard to organisational objectives. With these points in mind, we saw that the outcomes of informal collaboration favoured a "routinisation" of working procedures in Belfast and what could be called "improvisation" in Glasgow.

In relation to the first case, an interesting aspect of the findings was that, given the "codified" nature of practice in the workplace, the routines/rules the local

practitioners came up with as a result of informal knowledge sharing allowed them to make better use of the new IT systems and therefore to be more effective in their work. However, although this outcome was explicitly acknowledged by the participants themselves, the positive influence of routines in guiding everyday work has often been overshadowed by accounts that concentrate on bureaucracy as a generic term, i.e. understood as official rules and procedures that stifle creativity and innovation. According to Adler and Borys (1996), this enabling aspect of routines cannot be properly appreciated unless one distinguishes between enabling and coercive formalisation. The former “enables employees to master their tasks”, while the latter “functions as a means by which management attempts to coerce employees’ effort and compliance” (p.61).

The Belfast findings and Adler and Borys’ (1996) discussion point to the fact that the issue of whether rules and routines allow people to perform their jobs more effectively is dependent on the extent to which they result from engagement in specific practice (and therefore remain under the control of the employees), or to which extent they derive from managerial authority. In the Belfast case, informal manuals were the invention of the local staff and documented their – negotiated through knowledge sharing – understanding of the new IT systems in relation to their working procedures. Therefore, although routinisation could be described as an example of explicit knowledge, in relation to the Belfast setting we chose to speak of “conventions” (Gomez and Jones 2000) – understood as informal rules that inform everyday action – that are distinct from official policies and procedures.

On the other hand, with regard to the Glasgow case we saw how the sharing of group explicit knowledge in the form of stories (Cook and Brown 1999) and in interaction with the practitioners’ context of work would not lead to routinisation or exploitation in the form of establishing new routines related to ways of working. This was due to the more prominent role of teleaccount managers in materialising the new company’s strategy and the fact that the nature of their work required them to be creative. Thus, this case serves as a reminder of the fact that initiatives that aim at controlling these informal activities, irrespective of the ways in which specific practice unfolds in workplace settings, might not lead to the expected results (Gherardi et al. 1998).

As the findings have shown, the Glasgow line managers, although encouraging knowledge sharing, did not try to formalise its outcomes by organising work along a single “best practice”, as they were aware (due to their positioning near the practice of the employees) of the possibility of a negative response by the local practitioners. Rather, the latter were able to improvise relying on an array of “useful practices”, a term that, as Orlikowski (2002) underlines, “suggests the necessarily contextual and provisional nature of such practice and the organisational knowing they constitute. It is a reminder that our knowing cannot be assumed, only ongoingly achieved”. At this point, it would be useful to stress again that the above observations do not agree with accounts presenting a possibility for direct managerial involvement in the design and development of communities of practice (Wenger et al. 2002). As mentioned in Chapter Six, suggestions such as the appointment of various roles in communities (e.g. community leaders) and the identification of potential learning projects with which the members of a community could engage, underemphasize the existence of conflicting interests in the workplace, while they also assume an unproblematic compliance of communities’ members with initiatives that disrupt the informal manner in which knowledge sharing and learning unfold.

A final remark related to the data presented in this chapter concerns a clarification of the potential role that communities of practice can play in relation to knowledge sharing. In the relevant literature (e.g. Kakabadse et al. 2003; Newell et al. 2002) it has been suggested, and rightly so, that a community approach to knowledge sharing is particularly appropriate in cases of selection and implementation (e.g. in Newell’s innovation example) when explicit knowledge is appropriated along local tacit knowledge about systems and procedures. This can be interpreted by some as an indication that communities play a role only in implementing guidelines for action, thus engaging mainly in knowledge *reinvention* and application and not in knowledge creation. Although this was true with regard to the Belfast case, where the result of informal knowledge sharing was the customisation of formal rules and routines that would suit the particular needs of the participants, this was not the case in the telesales setting in Glasgow. There, we saw that in the context of change the emerging community was able to initiate, amidst all the obstacles and challenges, a process that would allow its members to remain innovative in the course of their action. It is important to remember that apart from the justification for the changes in the ways of

working (focusing on key brands and stressing the importance of quality) there were no precedents (in the form of explicit rules or routines) as to how these ideas could be employed in a practical context. Secondly, as many of the experienced members in the department mentioned during the interviews, most of their knowledge from their time with “O’Hagan” (knowledge of different products, prices in the marketplace, profit margins etc) was not relevant under the new regime. Rather, personal know-how for them (and for all the new members), although derived from past experiences, was related to the current situations they were facing as part of their work. Therefore, the situation in which local tacit knowledge (rooted in knowledge about past working procedures as in the Belfast case) would be applied alongside formal rules simply did not exist. Thus, knowledge sharing in this case signalled the creation of explicit knowledge (albeit in the specific context of the group) which would help the generation of tacit knowledge for the practitioners in interaction with the particularities of their work.

7.5: Concluding Remarks

The aim of this chapter was to look inside the process of knowing as it unfolded within the two settings in order to provide an account of how individuals would apply personal and community-shared knowledge as well. In addition, the chapter set out to examine how the outcomes of informal collaboration might be influenced by the nature of practice and the objectives at hand derived from the context of the merger. Therefore we saw that in Belfast informal collaboration enabled the creation of new informal routines (regarding the use of the IT systems) that informed the everyday work of the local practitioners, while in Glasgow it allowed a rather more personal approach to work, outside the boundaries of rules or routines. In this way, the findings have supported the importance of viewing knowledge sharing and learning as activities that are rooted in specific contexts of practice and whose outcomes are shaped, unintentionally for the most part, by those deeply engaged in specific practices (Gherardi et al. 1998). The contrasting difference in the outcomes of knowledge sharing in the two settings also reinforce Cook and Brown’s (1999, p.394) remarks that “explicit and tacit knowledge are generated and disseminated each in its own right” (i.e. not converted into each other) and the extent to which either of those types of knowledge needs to be generated “is determined by their usefulness as tools

in productive inquiry in a given situation...the production of new knowledge does not lie in a continuous interaction between tacit and explicit knowledge but rather in our interaction with the world”.

CHAPTER 8: CONCLUSION

8.1: Introduction

In this final chapter the objective is to outline the main contributions of this study towards a more complete understanding of informal collaboration and knowledge sharing as they unfold within potential (intra-organisational) communities of practice.

At the beginning of the chapter we revisit some of the observations concerning the concept of communities of practice, its relevance to this study and some of the issues associated with its application in previous studies. By way of contrast, the section finishes with a brief mention of the main findings of the research. The next part provides a summary of the main contributions of the research. Finally, some suggestions on future research, utilising some of the ideas presented here, are presented at the end of the chapter.

Before examining the above areas in more detail, it is important to keep in mind that, as mentioned in Chapter Two, organisational change – and more specifically in this case its implementation – is more effectively understood when taking into consideration not only the role of managerial action but also the micro-processes of knowledge sharing in which non-managerial actors are involved. The concept of communities of practice has helped to illustrate to a certain extent how those dynamics unfold and therefore has the potential to contribute to a deeper understanding of change outcomes (in this case the integration objectives). However, this has to be complemented by a focus on both the organisational and sectoral contexts and an explicit reference to the role of diverse political interests.

8.2: Revisiting Communities of Practice

This study has focused on examining the extent to which organisational change, here in the form of a merger, can possibly facilitate or relatively inhibit processes of informal learning and knowledge sharing. Within this context, the concept of communities of practice was of great relevance as it provided a lens through which the attempt of the research participants to reach a better understanding of their work after a change (together with the issues arising from such an effort) could be properly

understood. Additionally, the compatibility of the concept (through the focus on *practice*) with the processual view of knowledge adopted in this study (and outlined in Chapters Three and Seven) also helped to develop a clearer understanding of the outcomes of informal collaboration at work.

However, given its application here, a further objective of the study was to critically reflect on the concept and address some of the limitations seen in previous research. At this point, the reader should be reminded that the main issues accruing from Lave and Wenger's (1991) and Brown and Duguid's (1991) early work on communities of practice, touched upon three different areas. Firstly, these studies tended to focus almost exclusively on the local conditions of social interaction among community members, thus overlooking to a certain extent how those dynamics might be informed/influenced by the wider socio-economic contexts within which they are situated. Secondly, there is often the implicit assumption in those works that consensus among the members of communities of practice is a given. Thirdly, following the popularity of the term within the context of business organisations, the above unpoliticised view is particularly evident (as mentioned in Chapter Six) in Wenger and Snyder's (2000) and Wenger et al.'s (2002) explorations of how management can exploit the potential of communities of practice for improving performance. In those accounts, communities of practice are treated as "social objects" (Contu and Willmott 2000) that can be aligned with relative ease to the organisational objectives and manipulated for the purpose of managing knowledge flows within organisations.

In relation to this research, the evidence presented in the previous chapters does not agree with the above observations. In briefly summarizing the key findings, it is useful to relate them back to the five objectives of the study, as outlined in the introduction of the thesis. Beginning with the impact of the organisational change on the emergence of communities of practice, the findings have showed that the merger led to informal processes of knowledge sharing but those unfolded quite differently in the two settings (Belfast and Glasgow). That was mainly the case given the differential impact of the merger on the local workplace context in terms of the content of work, the social relations and the role-related expectations of the practitioners. As the data showed, the relative continuity in those three elements in

Belfast favoured knowledge sharing which was seen as an effort of the same nature, albeit more intense given the event of the merger, with similar activities undertaken in the past. In contrast, the local workplace context in Glasgow had changed significantly – something that led to the emergence of informal collaboration as a political process.

With regard to the influence of politics, the key issue was the relatively antagonistic relations between the former “O’ Hagan” staff and the new recruits. That was mainly the result of the fact that the former were able to easily familiarise themselves with the basic aspects of the new sales model (introduced post-integration), while at the same time the former would see that their pre-integration knowledge and skills were redundant and would struggle to a degree to adjust to the new situation. That conflict of interests would be expressed in the tendency of the experienced employees to favour an understanding of practice that would allow them to engage with aspects of their job that had ceased to exist (mainly customer service), thus reinforcing their status and identity prior to the merger. The existence of diverse understandings of the content of practice in the setting would impact on the interrelations between the two camps and on knowledge sharing.

Finally, the reader should be reminded that the nature of the two workplace contexts and the extent in which it underwent significant change also impacted on the influence that sectoral changes would have at the local level, on the role that managerial action played in the settings and also on the outcomes of knowledge sharing as a process.

More on how the research has addressed those three points is included on the next section which outlines the contributions of the study.

8.3: The Contributions of the Research

As the summary of the findings has indicated, the contributions of this research are related to three areas. Firstly, an appreciation of the macro-context within which social interaction within communities of practice takes place. Secondly, a more critical view on the issue of “manageability” of those collectives (Swan et al. 2002).

Thirdly, a further development of an understanding of the outcomes of knowledge sharing in relation to contexts of practice.

8.3.1: Focus on Macro Socio-Economic Contexts

As discussed in Chapter Three, in spite of the many calls for the need to examine communities of practice in their wider socio-economic and/or political context/s, thus providing an alternative to the apolitical approaches discussed before, only few writers have taken up the challenge, most notably Contu and Willmott (2003).

We saw earlier that the two writers have explicitly acknowledged the need to break away from unitarist treatments of the concept and although they do not employ empirical data they provide a thoughtful reinterpretation of Orr's (1996) study focusing mainly on the power inequalities within the employment relationship and how they might shape knowledge sharing in communities of practice. As mentioned in Chapter Three, this study is consistent with the intention of Contu and Willmott (2003) to adopt a more critical view with regard to informal learning at the intra-organisational level. However, it differs as well, in that it is based on empirical research which has drawn our attention to an additional number of issues, apart from the antagonistic relations between managers and employees. In particular, the adoption of a critical realist ontology has allowed the analysis to focus on elements not included in Contu and Willmott's (2003) work, namely the potential impact of financial and product markets.

With regard to the former, the case of the merger has turned our attention to the increasing importance of capital markets as a means of assessing the value and performance of firms in modern capitalism. As Thompson (2003, pp.366-367) has stressed – in an article exploring the tension in contemporary capitalism between, on the one hand, the necessity for employers to encourage employee creativity and, on the other hand, their relative inability to commit to collective bargaining – the emergence of new forms of financial competition has made divestments, disaggregations, mergers and acquisitions very popular means for firms to meet the demands of capital markets. The influence of these growth dynamics in this study was evident not only in the fact that “Brewers Limited” was a company with a relatively

long history of seeking growth by acquisitions, but also in the fact that even after their entry in the UK beer market, their desire to be the dominant player meant that they had to push their own strategy, something that impacted strongly on the local level in the Glasgow telesales department. In relation to the latter, this case has shown that the changes in the telesales job were linked to wider structural changes in the UK brewing sector, which had to be addressed through the strategy that the new company adopted in order to dominate that sector.

In conclusion, it can be said that the important contribution of a critical realist perspective is that its focus on deep structures has allowed a more complete understanding of issues at the local workplace level with reference to specific aspects of the macro context (in this case changes in the UK brewing sector and growth dynamics associated with capital accumulation). More specifically, given the different nature of practice in the two settings, it has been shown that the extent to which those mechanisms impact at the micro-level is contingent on the role that local practitioners play in relation to strategic objectives (together with other elements of the local workplace context).

Finally, since the changes impacting on local work/practice were not of the choosing of the practitioners, the potential for conflict has been understood as accruing both from power differences between managers and subordinates and from a divergence in the meaning that a specific practice might have for members of potential communities. That was particularly evident in the Glasgow case, where the more experienced practitioners “reacted” to the change in their role (and the subsequent redundancy of their pre-merger knowledge) by choosing to carry on activities that reflected their pre-integration status.

8.3.2: Understanding Managerial Involvement

As mentioned in Chapter Three, another work that has approached learning in communities of practice from a critical angle is the study by Swan et al. (2002). Their study focuses mainly on the role managers have played in encouraging learning in a spirit of a community within the context of innovation. In this Chapter it was underlined that Swan et al.’s (2002) attention on networks differentiates their work

from this research that examines informal learning at the intra-organisational level. However, an important point from their study, on which this research has built, is that a proper understanding of managerial action can be reached if the practices of managers are distinguished from the practices of the non managerial practitioners. Thus a second contribution of the study is that it has approached critically and to a certain extent has clarified the role of managerial involvement in informal process of knowledge sharing within firms.

Therefore, the evidence of this study (particularly the Belfast case) has shown that, perhaps contrary to expectations, senior managers did not play a significant role in “shaping” informal knowledge sharing, as they were barely aware of those activities taking place. In both settings it was mainly the line managers who were involved in such initiatives, since their position in the organisational hierarchy brought them in closer contact with the social practices of their employees. Additionally, as mentioned above, a focus on the diversity with which management, as a secondary social practice, is accomplished in different contexts (Reed 1984) – coupled with the critical realist notion of positioned practices and their associative causal mechanisms – helps understand more clearly why the line managers’ involvement in relation to knowledge sharing was played out differently in the two settings.

The relative continuity of the local workplace context in Belfast, as outlined in Chapter Six, provided a basis for a clear understanding of practice to be maintained after the integration. Given those conditions, line managers were co-participants in informal knowledge sharing, negotiating with their employees the meaning of practice, something that, as we saw in Chapter Seven, influenced the outcomes of such a process. On the other hand, the specific conditions of the Glasgow workplace context meant that line managers were not participating in knowledge sharing per se, but they were engaged in legitimising the rationale for such a process, and through that also tried to resolve to some extent the conflicting understandings over the meaning of telesales work, between the former “O’Hagan” staff and the new recruits.

In conclusion, this study maintains that managers have a role to play in relation to informal learning processes, although the evidence showed that such a role was undertaken by those closer to the everyday working activities of local practitioners. In

addition, the form that managerial involvement might take is not only related to the challenges that diverse contexts present, but as this study has shown is much subtler and indirect than it has been viewed in the above mentioned accounts. Therefore, according to our evidence, an important aspect of managerial involvement in knowledge sharing activities unfolding within communities of practice, is not the direct control of the infrastructures of those communities (Wenger and Snyder 2000) but the management of the meaning of practice. This element can be considered to be related to what Pettigrew and Whipp (1991) have described as dealing with the political aspects of change, and its significance will be examined again in the last part of this chapter.

8.3.3: Understanding the Outcomes of Knowledge Sharing

This section concerns the third area in which the study makes a contribution, namely a better understanding of the outcomes of informal knowledge sharing, as it unfolded in the two settings. As has been mentioned in chapters Three and Seven, this task has been informed by a perspective that links knowledge with action undertaken in specific contexts of practice. The implications of such a perspective in relation to activities of learning and knowledge sharing differ greatly from accounts characterised by an entitative view of knowledge.

Therefore, the evidence of the study does not settle well with Nonaka and Takeuchi's (1995) model that pays little attention to the role of action and assumes that learning activities cannot be considered complete unless they lead to a transformation of tacit knowledge into explicit. Besides the fact that, as it was underlined in Chapter Seven, tacit knowledge is not "uncodified" explicit knowledge, the findings reinforce accounts such as those by Cook and Brown (1999) and Newell et al. (2002) that stress the importance of taking into account the purpose of knowledge sharing and the nature of practice in different contexts. Thus, the evidence has showed that the outcomes of informal knowledge sharing in the two settings differed in nature. In Belfast, the approach to work post-integration was standardised (as it was the case pre-integration), while in Glasgow working procedures were more fluid given the interplay of shared "community" knowledge with the individual practitioners' context of everyday working activity.

At this point it is worth reminding the reader that another important point emerging from this discussion on the outcomes of knowledge sharing concerns the use of routines and rules in the workplace. In particular, the Belfast case has shown that formalisation of working procedures can be beneficial to the extent to which routines and rules are the product of the activity (and therefore are under the control) of those involved in everyday work, i.e. non managerial practitioners.

8.4: Limitations and Suggestions for Future Research

The final section of this chapter consists of two parts. The first part includes discussion on the relative limitations of this study, focusing on two areas: issues of methodology (related to the nature of the research and the use of concepts derived from critical realism) and empirical issues that have been touched upon in this study, but where more research could help to further our understanding. The second part makes suggestions for future research that might utilise some of the ideas deriving from the findings of this study.

8.4.1: Limitations

Beginning with methodological issues, it is worthwhile to remind the reader that in Chapter Four it was contended that the key strength of case studies was the fact that they allow the examination of various processes in their meaningful contexts often in a longitudinal fashion. From what has been discussed previously it hopefully has become obvious that the research has been processual and contextual in nature. At the same time there was an effort for those micro-processes of knowledge sharing to be studied within a time frame. Thus, the data collection lasted for nine months during which the researcher had the chance to visit the settings several times, conduct a number of repeat interviews and observe issues of interest (specifically in relation to the Glasgow setting).

However, it has to be acknowledged that the longitudinal nature of this study was constrained, mainly as a result of time management issues related to the completion of the thesis. Longitudinal type research projects can usually last for several years but obviously this was not possible with regard to this research given time pressures

which made necessary for the researcher to exit the settings as soon as a reasonable amount of data had been gathered allowing a meaningful analysis of the issues at hand. Nevertheless, even with those limitations the study has managed to provide at least a longitudinal picture of workplace context (through retrospective interview accounts and their comparison to the present situation) and a dynamic account of how micro-processes of learning unfolded (or in the Belfast case continued to take place) over a period of several months after the integration was completed.

As mentioned above, a second area of limitations concerns the use of concepts derived from critical realist ontology, namely the concept of mechanisms. As it has been argued throughout the thesis, a critical realist ontology with its emphasis on mechanisms accountable for the appearance of events at an empirical “surface” could, in relation to this study, help close the gap (identified to a certain extent in the communities of practice literature) of “explaining social interaction by locating it within the broader social structures of which it is a part” (Reed 1997, p.38). Additionally, as it was argued in Chapter Four, case studies, especially when they are comparative in nature as is the case here (two different settings) can help uncover the generative mechanisms that cause observed events. That can be achieved through theoretical conceptualisation and the “investigation of existing contingencies and their interaction with the postulated mechanisms” (Tsoukas 1989, p.558).

In this case, questions were asked on which factors were decisive for the merger to take place. Combining abstract thinking on the nature of capitalism with empirical information related to the UK brewing sector, led to the identification of growth dynamics and structural changes in the sector as mechanisms working in cooperation with one another that could potentially have an effect at the interactions unfolding at the local workplace level. This became clear in the Glasgow case but as was stressed in Chapter Six the effect of mechanisms is only contingent depending on specific circumstances (in the Belfast setting, the content of work and the contributions the practitioners were expected to make in strategic objectives).

A relative limitation related to the idea of mechanisms is that societies (as explained in Chapter Four) are open systems where various mechanisms operate either in cooperation or in counteracting each other. That means that knowledge with regard to

the operation of specific mechanisms in certain research contexts cannot take the form of definite truth. Thus, in relation to this study, although empirical evidence has been provided for the operation of the postulated mechanisms (and also particular elements of the local context have been specified as counteracting the identified mechanisms' impact), this explanation should not be treated as conclusive since "empirical testing of the kind that is common within the positivist tradition is usually not the best way of testing a hypothesis concerning causal powers" (Danermark et al 2002, p.199).

This section closes with a discussion on two empirical issues where further research could prove beneficial. With regard to those the reader should be reminded that this study has attempted to examine, among other issues, the role that managers might play in "shaping" and encouraging informal knowledge sharing in emerging communities of practice. As stressed earlier, the findings have shown that it was those in junior managerial positions that were involved in such activities rather than their senior counterparts. Especially the findings related to the Belfast case place in doubt the – often taken for granted – ability of senior managers to be aware of the informal ways in which everyday work is accomplished at the bottom of the organisational hierarchy. In particular, it has been argued that the fact that senior managers are engaged in the coordination and control of the primary practices of their employees, favours a canonical view of work (for example, an understanding of work based on job descriptions and formal training material) which in turn renders the informal learning activities of their subordinates rather opaque (Contu and Willmott 2003, p. 293). Nevertheless, a question that arises from those discussions is whether and how senior managers might become more aware of the importance of those issues. The findings presented here hint at the possible role that line managers might play as a link between those at the bottom and those at the apex of the hierarchy. However, since the main focus of this research was not exclusively placed on the activities of managers, further research could provide a clearer picture with regard to such a question.

Another issue on which further research is required concerns how legitimacy might be conceptualised in the context of change. At this point it has to be stressed that this question is interlinked with the notion of legitimate peripheral participation. As

mentioned in Chapter Three, early work on communities of practice (Lave and Wenger 1991) has suggested that this notion signifies the process through which newcomers are allowed to the periphery of a particular practice and they are then gradually granted full membership (based on their competence as practitioners) by the experienced members of the community of that practice. However, this idea might not effectively capture the dynamics of informal learning and knowledge sharing, especially at times of change which may require an alteration in the regime of competence that defines practice. In this case, newcomers might be considered either as those who come up with new and innovative ideas or (as it was the case in this study) as those more readily identified with the changes in the content of work, with what consequences that might have in terms of their relations with the experienced members of a practice and the sharing of relevant knowledge.

Although Lave and Wenger (1991) have taken into consideration the tensions related to the dilemma between continuity and renewal with regard to practice, they have not engaged empirically with those issues. Thus, further research on cases of innovation and change could provide more insights not only on how those events might impact on the process of legitimate peripheral participation but also on the extent to which legitimacy constitutes a central aspect of managerial work. The findings of this study (mainly in relation to the Glasgow case) have shown that line managers had to be involved in such an activity due to the context of the merger and the fact that change in the content of work was exogenous. However, in cases where change in the fundamentals of practice is rooted in the activities of newcomers, the role of managers might be more limited since the new members may be inclined to legitimise a new set of key elements with the potential to transform the core of this practice.

8.4.2: Suggestions for Future Research

As mentioned earlier, another objective of this section was to explore possibilities for applying some of the ideas presented in this study in research that – although similar in nature – need not be restricted in examining learning activities occurring in communities of practice. Of particular significance here is a reflection on the implications of the meaning of practice in various settings for practitioners (employees) and managers alike, especially at times of change.

As outlined in Chapter Two, Pettigrew and Whipp (1991) have offered a framework that explores the interconnections between the different facets of strategic change, e.g. environmental assessment, leading change, operationalising change, and they have underlined the importance for senior management to engage simultaneously with the analytical, educational and political aspects of change. However, their research concerned the change process in its totality and the objective was to outline its challenges for those at the apex of organisational hierarchies. A focus on the notion of practice, in particular the idea of managing the meaning of practice, could be incorporated in research that seeks to develop a better understanding of the challenges for those who are directly involved in the operationalisation of change and the political implications that such a process might have at a micro-level of analysis.

The activity-based view of strategy (Johnson et al. 2003) – described in Chapter Two – with its focus on the minutiae of managerial work could provide a starting point for such a task, namely documenting how middle/line managers set out to operationalise change/s especially when conflicting logics of action (based on divergent understandings of practice) prove to be an impediment to such an effort. Two examples from related fields of enquiry, organisational learning and institutional theory respectively, can help illustrate the importance of taking into account the meaning of practice as a variable in managing change or encouraging learning activities.

The first example refers to an organisational learning framework developed by Crossan et al. (1999). The authors view organisational learning from a perspective that emphasises strategic renewal and they have conceptualised it as a process that crosses the individual, group and organisational levels. More specifically, they consider organisational learning as consisting of four sub-processes, i.e. *intuiting* which is “the preconscious recognition of the pattern and/or possibilities inherent in a personal stream of experience”, *interpreting* viewed as “the explaining through words and/or actions, of an insight or idea to one’s self and others”, *integrating* as “the process of developing a shared understanding among individuals and of taking coordinated action through mutual adjustment” and finally *institutionalising* which is “the process of ensuring that routinised actions occur” (Crossan et al. 1999, p.525).

The authors maintain that, despite the sequential nature of their model, there are several feedback loops among the levels as well as “spillovers”, and especially interpreting is viewed as a process that links the individual and group levels and integrating works as a bridge between the levels of group and organisation.

Crossan et al.’s (1999) framework is not without its limitations, as through its separate phases it echoes Nonaka and Takeuchi’s (1995) understanding of knowledge as an entity that can easily change facets and be converted from tacit to explicit and vice versa. However, their framework is of interest as Crossan and her co-writers explicitly refer to the notion of communities of practice when discussing the “integration” stage of their model. The authors underline the importance of a shared understanding so that coherent action with regard to change/s might evolve at the group level and they pose the question of what elements might impede the integration of individual perspectives.

When touching upon those issues they cite the significance of dialogue and the various imperfections of language that might provide a constraint for shared meaning while at the same time they view communities of practice as a context in which coherent action can possibly derive as a result of storytelling. However, what is missing from Crossan et al.’s account is an explicit reference to the fact that demands for strategic renewal require changes that might impinge on the content of practice at the level of the group, something that, as we saw in this study, can impact on the extent to which knowledge is shared – through storytelling or otherwise – among the practitioners at the local level. An automatic link between storytelling and the integration of different perspectives overlooks the fact that besides the effectiveness of various conversational styles (Crossan et al. 1999, p.529), what can actually inhibit coherent action is the existence of conflicting understandings of practice which might also reflect conflicting interests among the members of a potential community. Therefore, focusing on the idea of managing the meaning of practice at times of change might help explain how shared understanding might (or might not be reached) at the group level, thus influencing the extent to which informal learning might occur and be institutionalised at the organisational level.

Similarly, the work of Barley and Tolbert (1997) on institutionalisation – referred to and described in Chapter Four – provides an example of another area where a focus

on the concept of practice might be of significance. Through their notion of scripts as “recurrent activities and patterns of interaction, characteristic of a particular setting” Barley and Tolbert (1997) have created a framework that examines the process of institutionalisation as interaction between the institutional realm and the realm of action, which also consists of four distinct moments, as mentioned in Chapter Four (encoding of scripts, enactment, revision/replication, objectification/externalisation). What is of relevance here is the authors’ remark that modification of scripts “is more likely to require conscious choice than does its reproduction” (Barley and Tolbert 1997, p.102). This is why – in their discussions of research strategy – they underline the significance of selecting research sites where events with system-disturbing potential are about to occur, e.g. mergers/acquisitions, the adoption of new technologies, changes in personnel etc. (p.104). In this context, a focus on the meaning of practice – as a specific facet of managerial work – could be incorporated in future research on institutionalisation in order to identify the extent to which, and the ways in which, alternative scripts related to exogenous change, might be encoded and enacted – leading gradually, and under certain circumstances, to the “establishment” of alternative behavioural patterns.

A focus on the efforts of managers to legitimise their preferred readings of what successful practice is after a change, does not imply, as was underlined earlier, that they are powerful enough to simply impose their “plans” or ideals about work organisation on their employees. On the contrary, it shows that such activities might be necessary given the collision of different views on the meaning of practice, which comes as a result of the fact that employees are not silent organisational actors, merely complying with managerial authority. Thus, the concept of practice, when critically applied, can also be of relevance in research that explores issues of control and bureaucracy.

An example of such an approach is work that examines changes in work organisation with the introduction of teamwork. Given that teamwork has often been presented as a form of work organisation that has the potential to transcend the limits and constraints of traditional work organisation informed by a Tayloristic perspective, the theme of control has been prioritised by several researchers in an effort to provide a more balanced view on the issue, focusing on the possible negative effects of this form of

work. In that line of argument, Barker's (1993) and Sewell's (1998) work has been informative about the possibilities for peer-scrutiny within autonomous work teams to lead to systems of control equally as constraining as hierarchical bureaucratic control.

Barker's own research (1993) employs a case study whose findings are supporting such a pessimistic view. In particular, his argument is that the emergence of value-based rules related to the behaviour of the team members gradually led to the creation of a system of concertive control even tighter than a system of control deriving from a managerial prerogative. Sewell's (1998) study maintains a similar view, and more specifically he shows that teamwork is not incompatible with traditional bureaucratic forms of control, that in fact vertical (through managerial control) and horizontal (through peer-pressure) surveillance combine to lead to what the author calls a "chimerical" mode of control, destined to "allow organisations to cede a degree of discretion to teams while increasing the probability that it is then exercised in line with the organisation's goals and objectives".

Although it is important for researchers to maintain a critical view in relation to the effects of corporate disciplines such as teamwork, what is also common to the two previously cited works, is an assumption that in both cases employees – almost unproblematically – internalised the managerial discourse and that this is how they ended up being constrained by a system of control of their own making, which however mirrored managerial objectives on how self-managing teams should function. Therefore, in both accounts a view of employees as knowledgeable actors with regard to courses of action related to their work is relatively undermined. Future research in this area could benefit by adopting a critical realist perspective and a focus on the concept of practice. The former could allow a clearer view of how aspects of the organisational context in combination with elements of the wider social context (labour and/or product markets) influence the extent to which the introduction of changes in work organisation might lead to enabling or coercive forms of formalisation as Adler and Borys (1996) have suggested. The latter could reinforce the fact that compliance with managerial intentions (directly or indirectly) is not predetermined but mediated by the employees' own interpretation of practice and how to accomplish their work in an everyday context.

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