

1. INTRODUCTION

1.1. *Background*

The dominant view today is that the Personnel department “*does not possess significant authority, power and influence at crucial points in the organisation relative to other management functions*” (Kelly & Gennard, 2001: 3). The Personnel occupation has for decades concerned itself with its status in organisations, and particularly with its fight for a place in corporate decision-making structures (Hope-Hailey, *et al.*, 1997; Legge, 1978, 1988; Sparrow & Hiltrop, 1997; Tyson, 1980; Tyson & Fell, 1986; Watson, 1977). At different times in history, different functional specialisms have dominated the management theory scene, with financial expertise probably being most consistently perceived as influential (Kamoche, 1994). As such, the criticality of a functional specialism is fundamental to achieving outcomes of power, influence and also remuneration (*ibid.*: 37): “*HR managers have previously been unable to enjoy high prestige and its concomitant power and high remuneration because they have been unable to demonstrate the ‘importance’ of their functional specialism and the strategic value of human resources.*”

Hall and Torrington (1998: 1) also raise the question “*are personnel managers losing or gaining influence?*” Guest (1990: 383) suggests a number of reasons for this concern stretching back to the origins of Personnel as a welfare function: “*It was perceived, to use Drucker’s famous term, as a ‘trash can’ into which unwanted tasks could be dumped rather than a key element in the search for competitive advantage.*” In the 1970s, the Personnel function’s expertise in negotiation became the point of emphasis during the industrial relations era of organisations, shifting away from welfare and towards legislation. There is some evidence that Personnel departments were growing in size and influence during this period with the increase in employment standardisation and bureaucratisation (Guest, 1982; O’Reilly & Anderson, 1982). However, into the 1980s the trade unions were in decline, and the non-substitutable expertise of Personnel based on industrial relations began to be eroded (Freedman, 1985). There is evidence from this time to show that although Personnel was not increasing in power, it was also

not losing its power (Legge, 1988). During this period and into the 1990s, the emphasis shifted away from personnel management and more towards human resource management (HRM) in which other stakeholders, such as line management, began to take on increasing responsibility for people management issues. This tradition of HRM has been termed the “*professional tradition*” by Tyson (1987: 524), basing itself on a social science knowledgebase and specialist techniques. Trends in increasing professionalism and a concern with a professional identity and status have been highlighted within the occupation (Baron, *et al.*, 1986). Increasingly the role of information systems has also started to pervade the Personnel department agenda, impacting on the department’s role and organisational contribution (Sparrow, *et al.*, 2003).

This study takes these discussions further, focusing on the factors that enable or constrain the power of the Personnel department in a particular context: Higher Education (HE) in the UK. The HE context is described using such terms as “*poorly structured*” (Covaleski & Dirsmith, 1988: 563), “*a system held together merely by the pooled interdependence of reliance on a common pool of resources*” (Hickson, *et al.*, 1981: 177) and a “*politicking organization*” (Butler, *et al.*, 1977: 45). In the UK, HE institution (HEI) control structures are described as collegial, where power and authority are shared across a number of individuals within institutions, and are largely independent of the state, being the least directly accountable public-financed organisations. They are thus environments in which internal power-play is rife and each department must stake a claim for its allocation of very scarce organisational resources to survive.

For the Personnel department, intra-organisational power is thus seen as emanating from the role which the department plays in this competitive environment. However, there are existing rules of the game: how things are normally done around here (Clegg, 1989). Such routines and practices are institutionalised within organisations and within professions, impacting on current levels of power of departments. The power of the department is thus not simple to define without looking at both explicit and implicit

indicators of this complex variable. The history of the development of an organisation and an occupation thus has a role to play in current power structures.

In the following sections of this chapter the outline of the study is elaborated against this broad literature background. The research questions and propositions are stated and the parameters for the study are set. There is a discussion of the terminology used in the study, and the methodological approaches adopted, before continuing on to a more detailed exploration of the literature informing the study.

1.2. Defining the research objectives

Set against this background of Personnel departments in general being perceived as low in power, and in the environment of HEIs in which power-play is rife, it is interesting to consider just how the department operates in this context. Based on a detailed literature review reported in the following chapter, the study thus sets the following research questions:

What is the perceived level of power of the Personnel department within Higher Education Institutions (HEIs) in the UK relative to other administrative support departments?

To what extent do the following factors of institutionalisation in the HEI context affect the power of the Personnel department: (a) organisational history, (b) professionalism and (c) the use of information systems?

The framework in which these questions are set is borrowed from strategic contingencies theory (Hickson, *et al.*, 1971; Hinings, *et al.*, 1974) from which the determinants of power and the level of power indicators for the department are derived. The theory proposes that the level of power of a department in an organisation is dependent on three determinants of power variables: the ability to cope with uncertainty to the benefit of others in the organisation, the centrality of the department to the organisation's activities, and the extent to which the department is non-substitutable.

The first stage of this study is thus to explore the validity of strategic contingencies theory in the context of Higher Education institutions in the UK.

Following this analysis, both the determinant of power variables and the level of power indicators for the Personnel department are measured to explore current levels of power. This picture is then analysed to determine the effect of institutionalised factors modifying strategic contingencies theory. The detailed propositions arising from the research questions are listed below and are discussed in detail in the following chapter.

1a: The Personnel department will be perceived as having lower levels of power compared to other HEI administrative departments.

1b: The rating of the Personnel department on its ability to cope with uncertainty, its centrality, and its non-substitutability will be lower than that of other HEI administrative departments.

2a: The Personnel department will be perceived to have different levels of power depending on the historical status (pre-92 university, post-92 university or HE College) of the institution in which it is based.

2b: The Personnel department will be rated differently on its ability to cope with uncertainty, its centrality, and its non-substitutability depending on the historical status (pre-92 university, post-92 university or HE College) of the institution in which it is based.

3a: The Personnel department will be perceived to have more power where it has a larger professional element than Personnel departments in other institutions with a smaller professional element.

3b: The Personnel department will be rated higher on its ability to cope with uncertainty, its centrality, and its non-substitutability where it has a larger professional

element than Personnel departments in other institutions with a smaller professional element.

4a: The level of power of the Personnel department will be perceived to be higher where there is more sophisticated use of Information Systems (IS) to support service delivery, compared to Personnel departments in other institutions using IS in a less sophisticated manner.

4b: The more sophisticated the use of Information Systems (IS) to support service delivery, the higher the Personnel department will be rated on its ability to cope with uncertainty, its centrality, and its non-substitutability compared to Personnel departments in other institutions where IS is used in a less sophisticated manner.

Essentially it is argued that the power of the Personnel department in HEIs can be measured by exploring its structural sources of power, such as its perceived ability to act as a gatekeeper to environmental uncertainty, to contribute to the mission of the institution, and the extent to which it is perceived to be non-substitutable. However, these determinants of power and their outcomes (the perceived overall level of influence of the department, its involvement in decision-making, its position in the hierarchy and its allocation of organisational resource) are also moderated by factors of organisational institutionalisation. The history of the institution in which the department is based is one significant factor. Another factor is the extent to which members of the department are professionally qualified and share a professional identity and credibility. The final factor is expected to lie in the department's use of information systems for the analysis and distribution of information throughout the organisation, hence defining its role in organisational information flows.

Based on these propositions, the findings of the study suggest that Personnel departments in HEIs in the UK are part of a centralised bureaucracy in what are otherwise loosely-coupled systems. The department has an important role to play. However, significant contextual features affect its impact, such as the highly autonomous professional workforce and senior management philosophy. The evidence

presented throughout this thesis indicates that the Personnel department is perceived as having lower levels of power compared to other administrative departments. The rating of the Personnel department is also lower on the determinants of power: its ability to cope with uncertainty, centrality and non-substitutability.

The type of institution in which the department is based impacts on power levels, with different types of institution appearing to provide different sources of power for the department. The professionalism of the Personnel department, in the sense of the trait criteria for the professionalisation of an occupation, does not relate directly with intra-organisational power. However the broader definition of perceptions of how professionally the department operates within institutions does appear to be relevant. Finally, the sophisticated use of information systems by Personnel departments is very limited across the majority of HEIs. It is therefore difficult to see any patterns of relationships with power amongst institutions.

This section has presented the broad outline of the study, its assumptions and the questions it is aimed to address. It has also provided a very brief overview of the findings that have emerged. In the following section, further background information is provided to explain why these issues are of interest currently to both the academic and practitioner communities.

1.3. Justification of research problem

A research problem must be set in its contemporary context in terms of both theory and practice to understand current thinking and how any new study is expected to take discussions forward. At the level of theory, the study of power in organisations has been a popular field for some five decades and has contributions from many classical works emanating from the middle of the twentieth century. Research in the field continues to be prolific and there are many new and innovative ways of exploring power that have emerged in the literature in recent years. However, the more recent studies of intra-organisational power tend to focus predominantly on a micro-power perspective involving the individual rather than the subunit or department at the macro-power level.

Likewise, Guest (1991) has commented on how when exploring the effectiveness of the Personnel department in particular, the emphasis has been set at the organisational and individual levels, neglecting the departmental level. This current study is aimed at progressing the intra-organisational power debate at the departmental level in parallel to other studies of individual power, politics and effectiveness in organisations.

In a recent volume of *Administrative Science Quarterly*, Hinings and Greenwood (2002) argue for less managerialism and more of a sociological approach to be adopted towards organisation theory, more based in history, with more contextualism and time-sensitivity and more policy implications. Clegg and Dunkerley (1980: 480) also suggest that the application of strategic contingencies theory in particular demands “*greater historical reflexivity on the part of organization researchers.*” This study of Personnel department power addresses some of these issues, applying existing organisation theory in a field (human resource management) that has little historical theoretical grounding. Although it stops short of considering the wider implications of power in organisations for society at large, it does raise the issue of “*how privilege and disadvantage are distributed within organizations*” (Hinings & Greenwood, 2002: 411). It also starts to address policy implications for the operating of HEIs in terms of resource allocation.

Although this study draws heavily on strategic contingencies theory, it is not a direct replication of any single existing work but expands on the findings and methodology used to date. The predominant research objectives are to explore how strategic contingencies theory can be applied to the Personnel department today in HEIs in order for us to understand the power structures in this context, and what modifications are required of the theory to do this.

The study is set within the ongoing debate around the power and influence of the Personnel department, although it moves away from the existing popular role typology approach that makes internal comparisons within the Personnel field. This study goes outside of the existing HRM literature, and borrows from organisation theory to provide a framework to examine the department to broaden existing perspectives. The focus of the study is therefore heavily on how the Personnel department as a whole operates and

fits into organisational structures, not on the policies and practices of human resource management.

In terms of the practitioner community, interest in the Personnel department in HEIs has been increasing over the last three years in particular. In order to improve HRM in institutions, in 2000 the government HE funding council in England (HEFCE) launched an initiative injecting £330 million over three years into the function through the stimulation of strategic policies and practices in prescribed areas of development. The professionalism of members of the Personnel department and the management of information and data analysis were identified as two of the areas worthy of investment, in addition to the focus on HRM practices. The impact of this initiative is thus very current in the sector and is raising awareness of the Personnel department's role and status in institutions. Certainly gauging by responses received when contacting members of Personnel departments as part of the study, there is a great deal of interest in learning how the department is perceived and how it can go about improving its status.

In order to develop these insights into current theory and practice further in a context in which there is little extant evidence available, an empirical rather than theoretical approach to this study has been adopted. The following section outlines the stages of fieldwork undertaken to achieve the study's aims.

1.4. Methodology overview

One of the main objectives of this study was to develop a generalisable picture across the HEI sector to understand how the Personnel department is currently perceived in terms of its power. The approach adopted focuses on structural sources of power, and as such lends itself to a large-scale cross-sectional study. The methodology adopted looks at both explicit sources of power and implicit sources institutionalised in the organisational context. It is a two-dimensional study of power (Lukes, 1974) in the structural realist tradition, covering both the empirical and actual domains of reality (Bhaskar, 1978). Theory is therefore developed based on observed outcomes that are the

result of mechanisms working within specified contexts. Based on this theory, propositions are formulated which are looking for uniformities.

The methodology adopted to address the research questions and propositions identified included an initial stage of five exploratory interviews with heads of Personnel departments to provide qualitative data to facilitate the creation of the questionnaire used in the second stage of the study. This resultant questionnaire was posted to heads of administrative departments in HEIs across the UK, resulting in a 41% response rate of 144 returns from 73 institutions. The breakdown of the sample is highly representative of the population in terms of the size and type of institutions. Response bias was also not found to be an issue in the data received.

Once the questionnaires were returned, the author entered the data into the statistical package, SPSS, which resulted in quantitative data used in statistical analysis. Intra-organisational power is however difficult to measure in concrete and indisputable terms, therefore this quantitative analysis was supported by qualitative data. The final stage of data collection involved holding interviews with senior managers of HEIs who had not yet been involved in the study, in order to collect supplementary data to explore some of the issues raised in the analysis of the questionnaires. Seventeen semi-structured interviews in fifteen institutions were held at this stage, either face-to-face or by telephone. The qualitative data was analysed manually by coding handwritten transcripts of the full interviews.

This methodology follows the approaches taken by other commentators in the strategic contingencies theory field, and was designed to meet both the needs of the research and the researcher given available resources. A major part of the research design process included the consideration of the operationalisation of the variables to be measured, bearing in mind the work already undertaken in previous related studies. Steps were also taken to ensure an acceptably high response rate within the limited population, including the involvement of the professional body for the sector.

The predominance of quantitative data supported by qualitative data indicates a more positivist than interpretivist study. Indeed, in line with previous studies working from the strategic contingencies theory model and much of the research into the power of the Personnel department, the study does largely take a functionalist approach to addressing the research questions. The research is thus designed to collect both facts and perceptions, looking at rankings of departments on control of resources, expertise and strategic involvement. However, socially-constructed elements of the organisational context such as the systems in place to maintain power structures and the 'rules of the game' are also explored.

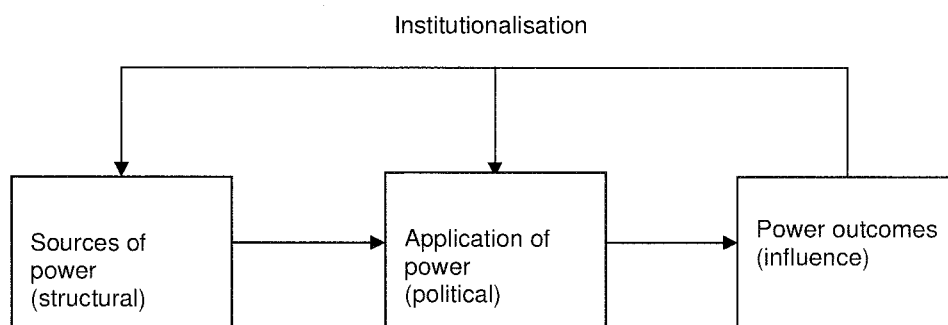
There are a number of terms used already in this introductory chapter that need further clarification, such as power itself as it is indeed a complex concept. The following section examines in further detail the definitions adopted for this current study, with an explanation of where these fit into the broader context of the literature.

1.5. *Definition of terms*

Firstly, it is important to acknowledge the potential ambiguity of any study of power due to the many perspectives that have been adopted for its study over the decades. To avoid this, these issues are addressed here before going into a discussion of the literature. Issues of 'power' or 'influence' or 'credibility' are confused terms in general everyday language, and are often used interchangeably. Subunit power is defined for this study as a department being perceived to have the non-substitutable opportunity and ability to make a valued contribution to activities central to the survival of the organisation. It is measured through a combination of (1) the perceived influence of a department, (2) the contribution a department makes to strategic corporate decision-making, (3) its formal hierarchical position and (4) the amount of organisational resource allocated to it.

Power is largely explored here in terms of perceptions, considering the perceived relative level of influence and credibility of the Personnel department compared to other administrative departments within Higher Education institutions. The cross-sectional

study is designed to explore existing power structures rather than charting the exercise of power and politics in defined decision areas, which may be more easily observed in longitudinal studies of critical incidents or events. The roles of structural and political models of power in organisations are thus seen as complementary. For example, Burt's (1977) typology of power argues that there are three aspects to power: control of resources as bases of power, processes which convert bases of power into manifestations of power, and the manifestation of power as influence in network relations. As Hardy (1996: S3) also highlights "*it [power] is a force that affects outcomes, while politics is power in action.*" There are other commentators with similar views on the different dimensions of power that are discussed in further detail in the following chapter (see, for example: Fincham, 1992; Julius, *et al.*, 2000; Provan, 1980). These views are summarised in Figure 1, showing the structural analysis focus on the possession and control of power sources as an enabler of power, whereas the application of power concentrates on the will and skill in creating and exercising power sources (Pettigrew & McNulty, 1995).



Source: analysis of literature.

Figure 1: Power sources, application and outcomes

Figure 1 includes an additional variable – institutionalisation – as power needs to be understood in its structural, historical context (Pettigrew & McNulty, 1995: 852): "*the outcomes of earlier contests may change individuals' power sources and alter key features of context such as rules, roles and individual interpretations of the world around them.*" The institutionalised organisational structure thus provides the context

within which actors operate to acquire and exercise power (Brass & Burkhardt, 1993: 443). This discussion is taken further in the following chapter.

Finally, the term ‘Personnel’ needs to be clarified before progressing further. ‘Personnel’ has been used throughout this document to refer to the Personnel and/or Human Resources department. The two terms are frequently used interchangeably within the HEI sector, however amongst the respondents to the fieldwork, the majority used the term Personnel in their job title, and hence this terminology has been adopted here. This is also supported as will be seen later by the operational emphasis of the role of Personnel departments in HEIs.

Having defined the delimitations of the study with regard to terminology, the following section goes on to set the parameters of the research in terms of its unit of analysis. This is again essential to understand where the study is positioned in terms of relating it to existing theory and practice.

1.6. Scope of the research

The unit of analysis chosen for this study is the Personnel department in Higher Education institutions in the UK. In order to gather information about this department, the main point of contact used is the head of the department. In addition the heads of other administrative departments and other members of the senior management team in HEIs were also involved in the study to gather multiple perspectives on the phenomena being studied. Although this methodology introduces an element of managerialism into the study, it was assumed that these individuals would be best positioned to observe the data required for the study. This approach also follows that of many previous studies in this field.

The general literature on power in Personnel departments has been consulted in constructing propositions for this study, however the findings are not generalisable outside of the specific HE sector context. Due to the substantial representativeness of the sample as is discussed later in the *Methodology* chapter, the findings of this study

are however highly generalisable within the HE sector in the UK. Before moving on to consider this general literature, a summary is presented in the following section of the layout of this thesis.

1.7. Outline of chapters

Looking at how the remainder of this thesis is structured following this introductory chapter, Chapter 2, *Literature Review*, provides a detailed description of HEIs and in particular of the Personnel departments in this context. It explores the extant literature around strategic contingencies theory and departmental power. Subsequent sections then raise the concept of institutional theory to explore how the characteristics of power structures currently being observed have come about. Consideration is given to the history of organisations as well as the relationship between power and professionalism, and power and information systems.

Chapter 3, *Methodology*, moves on to address how the study has been designed. Firstly there is discussion of the philosophical approach underlying the study and what this means for the research strategy. The design adopted is then described in detail for both the quantitative and qualitative elements of the study. The chapter concludes with a description of the limitations of the methodological approach adopted, and the ethical issues it raises.

Chapter 4, *Data Collection*, presents a summary of the quantitative data collection procedures, describing how respondents were contacted and the response rates achieved. Exploratory data analysis is then carried out on the data to check for representativeness and bias. Tests are also run to check that the data meets the assumptions required for the subsequent statistical analysis.

In Chapter 5, *Data Analysis*, the propositions for the study are tested. Both the quantitative and qualitative data are presented for each proposition in turn to display the evidence that has been gathered. The chapter starts with a summary of the profile of respondents, and a detailed analysis of how well the chosen strategic contingencies

theory framework fits the context of the study. Each proposition is then taken in turn analysing the data collected.

Chapter 6, *Discussion*, pulls together all of the material in the previous chapters and places the findings in the context of the extant literature. Arguments are presented for the acceptance or not of the study's propositions and answering the research questions.

Finally, Chapter 7, *Conclusions and Implications*, discusses the contribution that the study has made to extant knowledge. The implications for both theory and practice are discussed, followed by an evaluation of the limitations of the study. The chapter concludes with a summary of the implications for further research.

1.8. Summary

This chapter has provided background information to the setting of the study, placing it in the context of the broad literature debates and discussing some of the practical and theoretical points of interest. The research questions and propositions and a brief summary of the findings have been stated, along with an overview of the methodology adopted in the study. Furthermore, the chapter has set the boundaries of the study in terms of definitions of terms used and the study's population.

In the following chapter, an in-depth exploration of the extant literature around the issues raised by the research questions is presented, including the detail underpinning the propositions and a conceptual model developed for the empirical study. Each of the concepts being developed in the study, covering the power of the Personnel department and the effect of institutional factors on this power, are taken in turn to show what is already known and where the gaps in knowledge lie.