

Boundaries and Interfaces in Management



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INTRODUCTION

The fifth annual conference of the Irish Academy of Management (IAM) was hosted by the Business School at Waterford Institute of Technology in September 2002. The conference theme was boundaries and interfaces in management and 125 papers were presented spread across all management disciplines and across seven parallel tracks at any one time. Four symposia sessions were hosted – one in HRM, one in management education, one in enterprise, and one in information systems education for managers. A guest lecturer replaced the traditional plenary session and Professor Gerry Johnson, Professor of Strategic Management at the University of Strathclyde, gave the inaugural lecture on “reviewing strategy” through the lenses of design, experience and ideas. The first recipient of the best paper award was Mike Milmore of the University of Gloucestershire for a paper on strategic recruitment and selection. The winner of the postgraduate paper prize was Pauline Grace of Dublin City University with a paper on gauging the institutionalisation of performance pay. A special presentation was made to Jim Walsh of University College Cork at the conference dinner in recognition of his service to the academy. In all, around 160 delegates attended the conference from all over Ireland and overseas, making the conference an international one with a distinctive local flavour!

The papers in this volume represent a subset of 49 submitted for review for the special conference issue. The reviewers faced a hard selection decision but the work was done. In addition, the task of reviewer for the conference itself was also substantial. The academy, the conference team and the editors appreciate all the work. The company sponsors of the conference included Honeywell International Technologies Ltd – Garrett Engine Boosting Systems, Allied Irish Banks PLC, C&C Showerings, Waterford City Council, Project Management Group, Waterford Chamber of Commerce, Guinness UDV, Waterford Crystal, Cement Roadstone Holdings Ltd, Kelliher Electrical, *The Irish Times*, *Irish Independent* and *Irish Examiner*.

BOUNDARIES AND INTERFACES IN MANAGEMENT

The theme of the 2002 conference and of this special issue is boundaries and interfaces in management. Much creative and innovative practice takes place at the margin or at the boundary across and within organisations. This is also reflected in academic work and research into topics that examine organisational processes and systems that cut across definitions and are by definition multi-functional. The papers in this volume clearly reflect the conference theme and the diversity of the management discipline. Addressing boundary and interface research may require a collaborative spirit among researchers and in practice. Boundary and interface issues usually require partnership processes to address them and co-operation to gain the 'whole picture' insight needed. Managers may be better set-up to achieve this collaborative endeavour as they are used to working in team environments, but those who work in research and in academia may be just beginning to develop approaches that can access multiple points of view from within and outside their institutions. At one level, the criteria used by national funding agencies will drive some of this effort.

Boundaries are defined in many ways: as entities that separate different activities, people, processes; as invisible patterns that define how organisations structure and relate to one another; as context, emerging and shifting with the pace of organisational change (Yan and Louis, 1999; Ashford, Kreiner and Fugate, 2000). For our purpose we define boundaries as separating organisational activities, process and people into distinct 'units', so, for example, a department is a unit, as is a specific process. These boundaries have become a focus of top management – how to shape and shift them to suit organisational needs and how to create an organisation that is border-less in its internal operation. Boundaries are the invisible lines that divide one actor or process from another and can be a major implementation barrier in creating new learning routines and in managing change. Interfaces sit across boundaries and are defined as 'flows' across boundaries: for example, communication is an interface mechanism and the intensity of communication may be an indicator of the strength of the interface between two actors, or activities, or departments. The interface is the 'what' – the content of the interaction between activities, actors and processes. Interface content is often identified by examining the roles of parties on either side of an interface; these roles define their inputs and suggest the rationale for the interface. In many organisations quality interfaces between units is not easily achieved and many political barriers get in the way of maximising interface value.

This volume contributes to the boundaries and interfaces debate through the investigation of specific themes common to a group of papers even though the papers are presented in discipline order. These themes are:

- The relationship between headquarters and subsidiary;
- Interfaces between systems and people;
- Organisational boundaries and barriers in the adoption of new practices;
- Managerial role perceptions and actions;

- Changing boundary patterns over time;
- The 'real' organisation and the theoretical other expressed in the dominant managerial paradigms;
- Interface contexts especially in the wider network external to the firm.

THE SELECTED PAPERS

PATRICK GUNNIGLE and his colleagues consider the significance of US foreign direct investment (FDI) in Ireland. The writers argue that while the importance of FDI in Ireland has been clearly delineated, there are deficiencies in the examination of its impact on Irish management practices. The contribution considers the human resource management and industrial relations practices in US-owned subsidiaries and seeks to evaluate the diffusion of specific US management techniques and practices in Ireland. The paper presents preliminary findings from detailed case studies of four Irish subsidiaries of major US MNCs and highlights the need for the development of a framework for the evaluation of the impact of US MNCs on the business systems in Ireland.

JUSTINE HORGAN and **PETER MÜHLAU** address the area of high-performance human resource practices (HPHR) in Ireland. Within the paper, a model is proposed to examine the HPHR diffusion process. Specifically, the process is conceptualised in two stages: the former depicting the initial decision by particular companies to adopt HPHR primarily for efficiency reasons and the latter stage as that occupied by 'rational imitators of the early adopters', companies wishing to signal their status as high performers. The model is tested using cross-sectional data from a reported survey of companies in Ireland. The findings raise some interesting insights on HPHR adoption and suggest important avenues for further research in the area.

KEVIN MURPHY and his colleagues focus attention on the topic of performance ratings and highlight the direct effects of rater goals and the climate of the group in which ratings are obtained on rating behaviour. The researchers sought to examine the link between rater goals and performance in a series of studies linking ratings of goal importance with teacher ratings. The studies reported suggest that raters who view the same performance samples, but who tend to emphasise different rating goals provide systematically different ratings. In this sense, performance ratings and rating goals are linked to and possibly influenced by the perceptions of the climate of the unit in which the performance ratings are obtained. The findings carry important implications for the nature and practice of performance appraisal in organisations as conflicts between the appraisal system and the ways raters use such systems can limit the effectiveness of performance appraisal.

ADRIAN THORNHILL and **MARK SAUNDERS** examine employees' reactions to strategic change in a public sector context over a prolonged period. The writers also explore the usefulness of an organisational justice perspective to

explain the nature of the reactions uncovered. This is undertaken in the context of an organisation, which had experienced a major planned change. Using case study data collected from employees, the context and nature of the processes of change are seen to be important in the application of the organisational justice theory in practice. The value of the organisational justice framework is also evaluated in relation to its ability to predict outcome effects that result from organisational change. The framework offers an important means to explore and understand employee reactions to strategic change and, in conclusion, the writers highlight additional areas warranting further research.

The interface between the management of human resources and organisational strategy is the subject of a paper by **MIKE MILLMORE**. In the account, recruitment and selection, as a component of human resourcing, is investigated to assess the extent to which its practice evidences strategic alignment. The writer presents a model against which the strategic nature of recruitment and selection is analysed. Using data from 108 diverse organisations, it is shown that a clear boundary exists between traditional and strategic recruitment and selection practice. This is noteworthy particularly given the primacy afforded to strategic thinking and management within the literature and highlights a dichotomy between human resourcing rhetoric and reality. The paper concludes by proposing additional areas for research to explore the reasons behind any lack of strategic alignment in organisational recruitment and selection practice. Mike's paper was the overall winner of the "best paper award" at IAM 2002.

PAULINE GRACE examines the reasons underlying the uneven spread of performance pay using case study findings from subsidiaries of a multinational industrial gases manufacturer. Using data from one Irish site and two British sites of the organisation, the writer suggests that factors such as work process and occupational composition affect the perceived appropriateness of performance pay. The case findings point to the importance of commitment in the form of management continuity and staff involvement in the implementation of performance pay. Pauline's contribution was winner of the "best postgraduate paper" at the IAM 2002.

MAIREAD BRADY considers information technology assimilation from a marketing perspective. While much has been contributed in this area in recent years, there are still issues that need to be overcome before the full potential of IT can be achieved. In addressing this apparent deficiency within the literature, the contribution presents findings from a study of IT assimilation within the marketing departments of a selection of the top 500 companies in Ireland. The findings suggest that while IT requirements are central to relationship marketing practice, there are a number of barriers that inhibit successful assimilation. The paper concludes by highlighting such barriers and the need to address key challenges in facilitating effective IT assimilation in organisations.

Adoption and implementation of information technology is also the theme of a paper by **TOM EGAN**, **STEVEN CLANCY** and **THOMAS O'TOOLE**. Their research, which was conducted over a two-year period as part of a wider EU-funded programme (WIRECOM), assessed IT usage in 100 SMEs in the south-east region. The company audits were followed by case analysis of selected companies in an attempt to distinguish *adopter* from *non-adopter* companies. The research revealed that the most important variable found to distinguish the high-adopter companies from the others was the support afforded by the senior team to IT strategy implementation. The study also showed that all of the adopter companies found the cost of adopting IT and the compatibility of IT innovations with existing systems to be important factors affecting their ability to adopt IT. The findings raise important implications for both SME sector organisations and the government, and the writers conclude with important avenues for further research.

BREDA MCCARTHY also focuses attention on the SME sector and within her paper seeks to explore the impact of the entrepreneur's character on the development of strategy in small-to-medium-sized firms. This is an important area for research given the deficiencies in the treatment of the possible interactions that might exist between entrepreneurial types and the strategic choices they make. The research uncovered two main types of entrepreneurs – the pragmatist and the charismatic entrepreneur – which resulted in different types of strategic behaviour. The study raises some interesting questions, namely: do charismatic founders rely more on informal social networks and transform them into financial networks? Do pragmatists rely more on formal networks? Do pragmatists see business start-up as an investment, rather than a way of life? The contribution will doubtless stimulate further research in the area.

THOMAS LAWTON focuses attention on the low-fares airlines business and makes the case for adopting a proactive approach when operating under conditions of uncertainty. While many firms adopt a 'siege mentality' when faced with market uncertainty and decline, the writer argues that periods of uncertainty need not be a time for retrenchment for all companies. Instead, opportunities can present themselves for firms that are financially sound and operationally efficient. In illustrating the argument, the paper examines the strategic management principles and operational processes of leading low-fare airlines. The writer suggests that low-fare airlines outperform their full-fare rivals because of the success of their cost-reduction ethos and their proactive approach to corporate strategy during market turbulence and industry crisis. Drawing on a wide range of studies in the area, the paper also sets out best practices for airline management and for business management more generally.

DEREK O'BYRNE and **DUNCAN ANGWIN'S** contribution points to the importance of understanding what happens to organisational boundaries as companies embark upon integrating an acquisition. As the writers remark, in

firm sub-unit terms, the greatest boundary challenge occurs when a company is acquired or merged and must combine with counterparts in the other firm. This can lead to radical changes in the working landscape and result in alterations to existing and established boundaries. The reported study focuses on two sets of combining sub-units within the merger of two national organisations. The study revealed that the level of integration achieved varied across the sub-units with differences emerging in the extent to which the boundaries of each sub-unit changed during the process. The findings also suggest that understanding boundaries can have a positive effect on the chances of integrating merging units effectively. The paper concludes with some interesting avenues for further research.

RAY GRIFFIN addresses the issue of subsidiary divestment. While there is an abundance of research dealing with subsidiary strategies and subsidiary roles, little attention has been given to the issue of subsidiary divestment. This paper reports findings of a case study investigation over a five-year period of an individual subsidiary's response when threatened with divestment. The findings suggest that our current understanding of the triggers for divestment fail to capture the complexity of divestment decisions. Equally, there are issues in how both HQ and subsidiary management interpret these triggers and how the resulting political and sense-making processes of both types of manager determine the outcome of divestment decisions. The paper concludes by discussing the potential managerial implications of the work and suggests areas warranting further research.

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