

Managerial competence in the smaller organization

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Abstract

This paper explores management development and competence in smaller organizations from the perspectives of managers and managed. Lack of managerial competence is commonly cited as the primary reason for the failure of smaller companies to perform to their potential, and government policy in the UK seeks to address this issue. In this paper, we propose that managerial competence in the everyday contexts of managing people is constructed as much on the basis of technical expertise as through formal qualification. The processes of competence negotiation are closely linked to the process of negotiated authority which managers work within. From this, we suggest that the development of managerial competence may rely less on formal certification processes than often assumed, thus limiting the role of business education in making competent managers.

Introduction: Making managers

This paper is concerned with the 'making of managers' (Handy, 1987; Constable and McCormick, 1987) in smaller organizations¹. Lack of competence in management is focused on as the primary reason for the perceived failure or low performance of small companies at policy levels in the UK (DfEE 1998; DTI, 1998; DfEE, 2000). This paper explores the nature of management competence in four companies employing fewer than fifty people, from the perspectives of owners, managers, and employees. The highly contested nature of competence is outlined, and implications for the education and development of managers in smaller companies discussed.

The paper is founded on two basic premises. First, the roles and experiences of managers in smaller organizations has been neglected (Bresnen and Fowler, 1996), often in favour of analyses which calculate the take-up of training (Down, 1999). This is despite the majority of employees working in a context other than the large corporate, in which most studies of managers and managerial competence are located. Second, even when studies of competence are located in smaller companies, non-owning managers have been further overlooked in favour of the 'grail-like' search (Goss, 1991) for identifiable and transferable entrepreneurial traits (Chell et al., 1991; Caird, 1993) or capacities (Gibb, 2000).

In addition, we work from the basis that to investigate management competence in smaller organizations, it is necessary to go beyond what the 'toolmakers' (Bittner, 1965) of management education have in mind. Such an approach involves taking note of the understandings of the managed (Scott et al., 1989) in part to access conflict in the organizations studied (Scase, 1995), in part to expand the definition of management competence beyond structural understandings. Key to this is seeing the managed as subjects rather than objects, with an active role in the organization and management of production (Collinson, 1992).

Data gathered through sixty-two semi-structured interviews and periods of non-participant observation in four smaller organizations provide the basis for the analysis. Formal, certificated management training courses are suggested to contribute towards the development of a 'distanced' practitioner, where the qualified manager attains a certificate which provides a structurally legitimated *managerial* competence (Goffman, 1959/1990). The achievement of the qualification may be seen in part as a 'cloak of legitimacy' (Rose, 1990: 55), woven from an 'expert system' which has a validity independent of the practitioner and the organizational context (Giddens, 1991; Holman and Hall, 1996). This aids in the formation of a managerial ideology which underpins a 'dynamic of persuasion' (Selznick, 1948) to support and legitimate managerial authority, and may be part of moving

from the absolute entrepreneurial authority defining of the early days of a smaller organization (Bendix, 1956/1963).

However, the data analysis also indicates that the symbolism of managerial competence may be contested by employee perceptions of technical competence (ibid.; Kondo, 1990). In our four case study organizations, technical competence constituted the key means through which managed employees judged managerial competence to direct work processes and define outcomes. Employees sought to define the legitimacy of managers more in terms of a “technical socialisation to achieve a publicly recognized occupational competence” (Stinchcombe, 1959: 168), rather than passively accepting that training certification equated to complete competence. Managerial competence, “rooted in the job context and hence in technical expertise” (Hendry et al., 1995: 169), thus formed an area of ideological contestation in the negotiation of order in the workplaces studied (Ram, 1994).

From this, we propose that the ‘sign-vehicle’ (Goffman, 1990) which certificated management education constitutes may be insufficient for managerial competence and authority to be accepted by employees. The achievement of the “collective collaboration” (Boden, 1994: 4) as the base of the “locally organized and interactionally achieved contexts of decision-making and... institutional momentum” (ibid.: 1; Watson, 1994) which underpins successful organization, rests as much on local, socially negotiated understandings of competence and managerial authority, as on formal, structural legitimation. This, we suggest, is an aspect of management development which may be beyond the reach of business school courses, yet one to which recognition must be given if we are to better understand the dynamics of managing people in smaller organizations.

The multiple conditions of management

[Managing] is simply a matter of running an organization so that the variety of people who want something out of it will go on supporting it in such a way that it is able to continue its existence into the future.

Watson, 1994: 10

Although Rod’s a wonderful person - nobody could dislike him because he’s totally honest - he’s a bad manager; he’s an entrepreneur. We try [to keep the day to day management away from him], until he jumps over the bloody wall and meddles... we have to keep throwing him back over again. I can remember Rod saying to me... ‘I don’t want you anywhere near Diamondcom [a new division of the company], Margaret, you’re far too organised, and this sort of business doesn’t need it. Stay right away, thank you very much’. And then after 6 months he staggers through that door and said, ‘Will you please get in there and do something about it, it’s doing my head in...’ [laughs]. It’s normally me and [another director] that get the crap to sort out.

Owner-manager, Diamondcom

Descriptions, norms, and structural contexts

Organizational members have been categorised according to many different criteria: functional, social, socio-economic, gender, and many other means of grouping for analysis have been proposed and practised. However, the primary boundary in use today may be that between manager and employee. Separating one ‘type’ of member from another through these labels has become meaningful since the emergence of “economic organizations designed to co-ordinate large-scale production for purposes of instrumental gain” (Kerfoot

and Knights, 1996). It is a method and a terminology which would have carried little meaning prior to the establishment of this mode of production and organization (Kerfoot and Knights, 1996; Jacques, 1996; Scarbrough and Burrell, 1996). The rise of the professional manager can thus be linked to the separation of capital control and labour control which increasing scale demanded (Pollard, 1965), and the need for the capital suppliers to replace the legal or paternal obligation to labour with written, calculable means of control implemented by professional managers (Scase and Goffee, 1989; Whitley, 1989).

However, the nature and meaning of the managerial task in smaller organizations has been somewhat neglected in favour of more instrumental analysis of the entrepreneur and entrepreneurial activities, investigating the skills, behaviour and attributes of the high performing owner-manager (Gibb, 1999). Going beyond structural-functional analyses of when or at what point managers and management become necessary in smaller organizations, to the processes of managing and making managers in the context of smaller organizations (Gibb, 1997), is one of the aims of this paper.

Investigating the development of managers necessarily involves an assessment of management education's aims, means and knowledge base. An underlying assumption of courses in organizational management is that there is a knowledge base to be possessed (Bendix, 1963), which has been codified and organized. However, there has been extensive questioning of what managers do, in attempting to get closer to knowing what management education should consist of. There is a continuing suspicion that management does not constitute a 'real job', has no objective base (Watson, 1994), and little economic, social, or cultural coherence (Reed, 1989). Notwithstanding, management and management education is unavoidably based on sets of ideas about what managers *do* to accomplish tasks (Scarbrough and Burrell, 1996). These ideas are subject to the influence of ideology (Bendix, 1963; Jacques, 1996), fashion (Watson, 1994; Abrahamson, 1996), strength of expression or promotion (Huczynski, 1993&1996), and the methods of research prevalent at the time (Hales, 1986; Willmott, 1987). The available literature on how to be a successful manager through mastery of tasks and approaches is voluminous, and some of the best known 'names' of management theory are to be found expounding on what managers do, arguing that their analyses may change our perceptions and understandings of management and managers; yet the diversity encountered confounds any attempt to clearly delineate what, how, and why, managers do (Hales, 1986).

Nonetheless, tasks have formed a primary means of analysis, in studies which document the practical elements of the job. However, a comprehensive review of the empirical evidence found primarily that there is enormous diversity in accounts of what managers do (Hales, 1986). Descriptive analyses of how managerial time is divided, often contrasting the ordered formality of 'managerial myth' with the disordered and reactive freneticism of practice, could be seen as providing little more than empiricist accounts of everyday managerial life. The central difficulty identified in studies which take norms of what management is (ought to be) and compare them with what management is (observed or reported to be) is just that: analyses conducted from this base (such as those of Mintzberg, 1971; Stewart, 1967&1976; Carlsson, 1991; or even Dalton, 1959) provide a comparative analysis of norms and actions (Hales, 1986). Furthermore, such studies are often based around managerial norms which date from the turn of the twentieth century (Watson, 1994), relating to the organization of work in a very specific cultural and industrial context (Jacques, 1996).

It has also been noted that over-emphasis on the individualism of career pursuit as 'a manager' (Grey, 1994) and the micro-political side of managing in organizations (Mangham, 1986), rather than seeing the manager as an organizational employee, may neglect the daily influence of the organizational surrounding. Whitley (1989) argues that generalised, abstracted descriptions of managerial tasks and problems fail to recognise the organizational context, thus neglecting the responsibilities of managers in the establishment, development and maintenance of firms as economic entities. The manager is no longer seen as having to perform a job according to an inductively identified essence, applicable across all contexts, cultures, and times; management is no longer a stable set of skills to apply to a stable set of tasks. The organization becomes the basic unit of analysis, rather than the individual of the classic studies of managers and their jobs. Management becomes an activity based around the primacy of shaping internal and external organizational exchanges to the simple end of organizational survival (cf. Watson, 1994).

However, it has also been noted that both the abstraction of the individual and the reification of the organization disregard how managers produce and reproduce the prevailing conditions of the structural societal context (Willmott, 1987). Arguably, then, the abstraction of managerial work from any of its institutional contexts leaves our understanding of it partial. Just as the tasks and actions of the individual are framed by the organization, so the organization is framed by the economic and social context. Willmott (1987) proposes overcoming the dualism of individual action and societal system, and replacing it with a multiple duality of behaviour and institutions (following Giddens' (1979&1984) theory of structuration). In this, the work of managers can be seen as both an outcome of and medium for reinforcing the structural properties of the systems within which individuals, jobs, and organizations exist.

Willmott (1987) also points up the inherent contradiction in attempting to manage a socialized production process, in which the organization is seen as a set of interdependencies, focusing on collective action towards survival (cf. Whitley, 1989; Watson, 1994), using the ideologies of individualism which inform many management techniques (Langton, 1984; Jacques, 1996; Sievers, 1993; Bell, 2000). The structure of a production system which demands co-operative action, and the ideologies of individual achievement which are used to motivate the production, contradict each other, generating a need for managers to mediate. Through successful mediation the contradictory system is maintained.

A final context for the conduct and understanding of managerial work is perhaps the broadest: that of individual identity and the maintenance of meaning in organizational lives. Extending the question of what managerial work is and how it is accomplished beyond the administrative task or the structural contexts, involves acknowledging the symbolic content of actions, including the roles that norms, values, expectations, and legitimation play (Pfeffer, 1981). A key managerial task thus becomes the control and definition of the socially constructed reality of organizations. Language is fundamental to this aspect of managerial work. However, a danger of prioritising this aspect of management too far is the seduction of the 'illusion of control' which can be generated by concentrating on the socially constructed, symbolic aspects of maintaining the organization, to the detriment of the productive point of the company (Pfeffer, 1981; Eccles and Nohria, 1992).

Notwithstanding, the management of meaning may express power by reflecting the dominant discourses (such as that of financial measurement, or the achievement principle) of societal and organizational contexts of work (Gowler and Legge, 1983). The recognition that

managers are engaged in the construction of an organizational and individual identity through language has provided an understanding of the role of work in making sense of and providing meaning to lives beyond the organization, which brings a richer, broader view of managers and managerial work. Managers may thus be seen as seeking to give, take, and manage meaning through work and the organization.

Managerial tasks, organizational contexts, structural conditions, and symbolic meaning making may then all be incorporated into understanding of managers and management. Management may be alternately (or even simultaneously) a technical and administrative activity, a social craft, grounds for ideological conflict, something to be learned, or something which one is. This brings us to the role of the management education industry, the final context which affects managers and management (and therefore managed), and in particular the gradual incorporation of smaller organizations into the structure of management education.

Incorporating the small firm into management education

Combined with the increasing governmental emphasis on workplace learning in the UK (DfEE, 1998; DTI, 1998), the recent rise in levels of study in management and business throughout the tertiary education system in the UK has been notable. Under- and post-graduate students on courses with 'management' or 'business' in the titles now form the second largest student body of any discipline in British universities; more than 30,000 people are currently registered for MBAs alone². The impact of this industry may have affected the small firm less than the large organization; smaller organizations have shown marked reluctance to become involved in training and management development (Storey and Westhead, 1997; Marshall et al., 1995; Kitching and Blackburn, 1999; Arthur and Hendry 1990). It is often argued that the 'failure' of smaller organizations to participate in management education and workplace training is hindering the growth of the firms concerned, and therefore the international competitiveness of UK plc (DfEE, 2000).

Encouraging participation by managers in smaller organizations in management development and employee training has therefore become a matter of government policy in the UK. Public funding has been granted for research into small firms to raise its status (ESRC, 1994), multiple structural supports for small firms have come and gone, and highly targeted courses have been designed and delivered (Creagh et al., 2000). This indicates strong and sustained government support for the 'rightness' of management education in smaller organizations.

In terms of delivering courses for the 'sector' of small companies, there is therefore strong structural and practical evidence to suggest that small firms have not been 'excluded' or ignored in the provision of management education in the broad sense; indeed, quite the opposite. The plethora of different courses (DUBS, 1990) and advisory bodies may even be counter-productive, as confusion over the different products on offer can result. In this respect, calls for qualitative rather than quantitative improvement in provision, delivery and course design seem highly apposite (Gibb, 1983; 1987; 1999; 2000). However, this may only be possible through addressing two significant difficulties. First, small firm research may need to acknowledge more that smaller organizations are differentiated entities, rather than members of an abstract grouping defined by number of employees (Curran and Stanworth, 1979; Johnson and Tilley, 1999). Second, courses need to be informed by conceptual and analytical research into the management of small companies, rather than reportage of a homogenised small firm sector (Gibb, 1999).

Although many training and development initiatives are promoted on the basis that performance benefits will ensue, making links statistically has been shown to be consistently problematic (Storey and Westhead, 1994&1997). Evidence from the UK (Storey and Westhead, 1997) and North America (Baldwin et al., 1994) on the correlation of levels of employee training and financially measured business performance indicates that to promote training and education as financially rewarding as the basis of encouraging smaller organizations into learning may be misleading³. However, the benefits of training and education continue to be conceptualised according to norms of performance based on the 'logic of accounting' (Gowler and Legge, 1983). In a reflection of the wider debate over HRM practices and organizational performance, studies often fail to prove causal or even correlative links, and rely on the 'feelings' of managers that performance is improved by training initiatives (Smallbone et al., 1993; Marshall et al., 1995; Down and Smith, 1998). It seems to be more an article of faith that employee training and management education must improve organizational performance, and that conclusive proof will ultimately be found.

In this paper, we suggest that pursuing statistical linkages between training or education and financial performance draws attention away from a more central aspect of managing smaller organizations. The processes, practices, and meanings which are to be found in smaller organizations are, we propose, still not clear enough to begin to construct management education and development which is oriented at root towards the small company. We would suggest that questions such as 'does training pay?' (cf. Storey and Westhead, 1994&1997) will not enhance our understanding of the nature and meaning of working and managing in smaller organizations, and thus that informed and relevant management education cannot be developed (Gibb, 1997) from the current base.

If research into and writing about small firms is now big business (Goss, 1991), developing owner-managers and managers may be even bigger, as business schools turn towards the numerically enormous market that small organizations constitute. However, the academic and popular publicity accorded to a reified notion of 'the entrepreneur', fuelled by attempts to identify traits through which to identify potential entrepreneurs (Chell et al., 1991), can be contrasted with the relative lack of emphasis on two groups. First, non-owning managers in smaller organizations, and second, organizations which are not specifically 'entrepreneurial' (as defined or perceived). As Bresnen and Fowler (1996) note, organizations and managers which do not conform to either the small, high-growth, entrepreneurial template or the large, prestigious, multinational are relatively neglected in business schools. There is a voluminous literature which deals with the outstandingly successful firms of the 'growth corridor' of the M4, or the electronics clusters of 'Silicon Fen' in the UK. However, through accepting and reproducing financial and growth-oriented notions of performance and performativity, these studies aid in the continuing representation of a growing small firm as the aspirational and archetypal absolute. Yet smaller and medium sized organizations which either do not wish to or cannot grow arguably form the bedrock on which much British industry, employment, and therefore experience of work, rests (Bresnen and Fowler, 1996; Fournier and Lightfoot, 1997). Hence, the experiences of managers and employees gathered in the four case study organizations which form the basis for this paper, are not being proposed as 'typical' of small companies; however, they are being presented as unexceptional in many ways. They provide studies of management in light engineering and services, in independent and subsidiary companies. We would suggest that these contexts may be as typical as the more commonly analysed entrepreneur in a high-growth business, or manager in the large corporate context, two far more common analytical targets for management research.

Thus, in this paper we work from a number of foundational points. We do not approach management education as a variable to be tested in the search for performance improving ‘panaceas’ (Gill and Whittle, 1992). We are not attempting to take a sample of organizations which are exceptional in any way, beyond being unique human and organizational contexts for the “social drama of work” (Watson, 1980: 44). Above all, we do not seek to assess the managers and case study organizations in relation to a set of aspirational norms of best practice in either business management or employee development. Rather, our analysis focuses on understanding and analysing the practice of management and management development as perceived by both managers and managed, and to investigate local and often seemingly common sense understandings of what and how managers are (made). The data analysis is seen as more of an “empirical coat-hanger” (Ditton, 1977: 9) on which to place discussion of the multiple social dynamics of making managers in organizations (cf. Ram, 1994). We further seek to avoid the reification of the experiential as the authentic (Atkinson and Silverman, 1997), in assessing the meaning of the actions of individuals and groups inside the organizations and in wider contexts, through applying a “humanistic commitment to study the social world from the perspective of the interacting individual” (Denzin, 1997: xv). Ultimately, through the analysis of our empirical data and previous analyses of management development, it is hoped that some sense can be gained of what it is and means to be and become a manager in these organizations, informing the practice of management education and development in smaller organizations through careful, bottom-up research (Curran, 1988).

Methods and methodology

The four companies involved in this research study, Diamondcom, Bodywork, Zincpipe, and Gearbox⁴, each employ fewer than fifty people. The first three are independently owned, while the fourth is the wholly owned UK subsidiary of a European parent. Diamondcom and Bodywork are suppliers of business services to larger organizations, while Zincpipe and Gearbox are primary manufacturing companies, both in light engineering.

The selection of case study companies is a complex area. The research presented in this paper does not seek to be judged on the basis of statistical generalisability; rather, it aims for analytical resonance. Thus, while the data analysed comes from four companies of comparable size, we would not suggest that our arguments or analysis could be applied to all manufacturing and service companies of similar size. Indeed, the selection of companies for this research was largely opportunistic and access driven (cf. Holliday, 1995). This paper therefore follows the anthropological tradition in accepting that the researcher is largely “unable to control the sampling process”, and that it is an “essentially artistic choice”, in which primary importance is given to contextualisation (Wolcott, 1995: 174, citing Mead, 1953).

Data were collected during 1998 and 1999, in a process of ‘jet-plane ethnography’ (Bate, 1997). This involved spending relatively short periods of time on site in the companies, using a focused set of questions to guide a semi-structured interviews with owners, managers and employees. Questions related to the personnel and human resource management practices, both current and historical. As far as possible, the imposition of language and concepts from management and organizational research was avoided during the interviews, as one of the broader aims of the research was to conceptualise people management practices according to the understandings of and using the language of the organizational members. In addition, company documentation was consulted, and informal interviewing and observation

supplemented the interview data. In total, around four months were spent in the organizations, with sixty-two interviews conducted. All interviews were taped and transcribed, save two, in which the participants declined to be recorded.

Data analysis

Do you know what I'm doing? Shopfloor visions of management expertise

Perhaps it is true that each soldier carries a marshal's baton in his knapsack, but few marshals, and few colonels or captains for that matter, keep soldiers' bayonets in their briefcases.

Bauman, 1989: 99

There's a lack of understanding – there's a lack of knowledge as well... you get new guys on who don't know much about it, that's one [the shopfloor manager]... he doesn't know a lot about the job, he's come in from pressing tin steel. He knows nothing about the job, and yet he wants to change things – won't necessarily be for the better, but he won't talk to the lads to see what would be better.

Employee, Zincpipe

The central contention of this paper focuses on a lack of knowledge relating to what managers in smaller organizations do on a day to day basis to facilitate and control the production processes, and how this process of managing people is negotiated. Addressing this question could of course involve consideration of the operations management, the financial accounting process, or the strategic orientation of the companies. However, it is a secondary proposal of this paper that the management of the four organizations studied can be best understood through examination of the micro-processes of people management which underpin the production of goods or services by employees. Such an approach could emphasise the tasks of people management, such as recruitment, employee training, or appraisal. However, in this paper we explore an aspect of people management processes which seems to us to form a bedrock on which those other, more operational areas of management rest: perceptions of expertise. In other words, we address the question which employees asked on a regular basis, and which defines and challenges the very basis of the employment relationship: who are you to manage me?

Thus, we suggest from our data that perceptions of technical expertise formed the primary means of judging managers and management. Resistance to being managed by those seen as not 'knowing the job' was significant, often expressed through humour and banter around the shopfloors, perhaps as a means of safe subversion (Boland and Hoffman, 1983; Linstead, 1985; Rodrigues and Collinson, 1995) through which the 'expressive control' of the situation could be momentarily upset (Goffman, 1990). As has often been noted, "the factory is also a ludic space" (Kondo, 1990: 221), yet one in which power relations are unique and defining. Shopfloor employees at Zincpipe often shouted at managers as they walked across the manufacturing area, with comments such as 'we pay your fucking wages' common (cf. Collinson, 1992); in response, managers characterised the shopfloor work as suitable for 'a monkey'. This was as close as either 'side' came to denying the need for the other. More broadly, lack of clarity at Zincpipe and Gearbox as to the role of management was endemic. Tensions generated by this gap between shopfloor and management judgements of expertise formed part of the experience of managing and being managed, part of the 'making of managers' through day to day interaction in the organizations.

Thirty years ago, Turner (1971: 84) argued, first, that “the individual holding authority will... find himself subjected to examination by those under him in a way which enables them to make assessments of his fitness for his post”, and second, that in manufacturing those at higher levels of the organizational hierarchy may be judged on whether they are able to perform all the tasks of employees in their responsibility. In this paper, it appears that the first contention holds; however, our analysis also implies that the assessment will be on the basis of technical competence at lower levels of management. It would also appear not to be exclusive to a manufacturing context, although it was found in a more bluntly expressed form there.

Perceptions of management expertise at Zincpipe and Gearbox were most often based on technical norms, rather than managerial techniques and skills. Employees at the two manufacturing companies often sought to break down the ‘mental’ vs. ‘manual’ dualism which reinforces status and power differentials in the organizations (Perin, 1991):

If I asked anybody from upstairs... [to] build the most basic of [machines], they wouldn't have a clue – not a clue... they don't know how to put one together, they've probably never seen inside [one]... and then they design something, we machine it, it comes to me, I have to try and fit it together and then I'm going back upstairs then and getting things altered...

Supervisor, Gearbox

As management changes, you always do get an attitude, because it's like a new broom sweeps clean. But unfortunately the people... that's come in to this company really haven't known anything about the job... I don't expect them to know everything, [but] they expect me to know my part of the job and I expect them to know their part of the job.

Employee, Zincpipe

The appointment of a new shopfloor supervisor at Zincpipe, recruited by the production manager from the company both had previously worked for, stimulated dissent on many fronts. It was, one employee said, ‘like putting a captain of a ship in, on a big ship, when all he's done is rowed a rowing boat’, indicating that organizational power may not automatically equal operational wisdom (Perin, 1991). This was recognised by the shopfloor manager, in saying that the ‘people side of it [management] is very important. They [shopfloor employees] have got all the technical expertise and I haven't, I have none for this field, so I rely on them heavily.’

One of the owner-managers at Diamondcom acknowledged the difficulties of ‘dropping in’ managers without knowledge of the either the jobs supervised or the company:

I knew [in my first job] that I'd have to start from the bottom. I don't understand these companies that put managers in that have never done the job. How can you manage people if you don't know how to do it?

Another manager at Diamondcom reflected the increased ease with which employees and work processes could be directed if the manager was able to claim technical expertise:

[Management] is setting the deadlines. But sometimes you get that from... the respect aspect, if you know what you're doing technically... people do tend to follow the lead

rather than be directed... you can advise and direct people if you've got a strong technical background, [and] they will listen... because most of the time you've seen the problems before...

In addition, the lack of shared experience on the Zincpipe shopfloor was compounded by a perceived lack of consultation with the experienced shopfloor workers, in contrast to previous management regimes:

There's a lack of understanding – there's a lack of knowledge as well... you get new guys on who don't know much about it, that's one [the shopfloor manager]... he doesn't know a lot about the job, he's come in from pressing tin steel. He knows nothing about the job, and yet he wants to change things – won't necessarily be for the better, but he won't talk to the lads to see what would be better.

Employee, Zincpipe

[The shopfloor manager] has just started, he's only been here a couple of months, he doesn't realise how long the job takes. Comes out, 'is it not done yet? Is it not done yet?' And you say to him, 'no, it takes an hour, at least, to do this job'... and then they turn round and say they want quality, so you've gotta take your time... they don't realise how long it takes, some of the jobs... you say to them 'it takes this [time] to do that [job]', but they don't wanna hear... they won't come out and ask... 'can we do this?' They'll just say, 'oh yeah, we can do it', and when it comes... [we] can't do it. Instead of coming out just for that split second and saying 'can we do this?'

Employee, Zincpipe

Internal change agents are often suggested to be isolated and vulnerable in organizations (Pettigrew, 1985); this was certainly the case at Zincpipe, with hostile feelings expressed almost without exception by those on the shopfloor, towards the new shopfloor manager. However, the implementation of changes in the work and manufacturing processes by managers without detailed knowledge of the methods of working was seen as something which was prioritised, yet which ultimately affected the shopfloor very little:

Q. Does it [change of manager] affect the way that you work and what you do?

A. Nope. They come in... they're OK. Everybody might have their own ideas, a different way... the last lot that's just come in now, they've actually spent more money than the majority of the other people who's been in... and it just, everybody seems to get on. The people who've come in, the last couple, they didn't know a lot about it, the managers and that... they have a few engineers, they listen to them... and then they just put it into practice... they might change it slightly, but on the whole everything is done the same as it's always been done... everybody seems to get on.

Employee, Zincpipe

Every time you get a new management, they wanna do it their own way, and funnily enough at the end of the day they come round, but it takes years for them to come round.

Employee, Zincpipe

However, the shopfloor manager was seen as unique in requiring detailed knowledge of the manufacturing processes, clearly differentiating this level of management from higher levels:

The new supervisor, he knows nothing about it - we could run rings round him if we wanted to, but we don't... I mean, Jim, obviously he's the big boss so... I mean, it's up to him what he does...

Employee, Zincpipe

In some respects, like at the top of a motor car company, the guy at the top don't know how to build a motor car, but he knows how to run a business.

Employee, Zincpipe

The lack of detailed production knowledge was also seen as preventing the shopfloor manager from performing his managerial functions:

They [management] should be running the clerical side of it and sorting problems out and sorting the orders out, and the workforce then should be responsible for sorting the workload out, with an intermediate guy in to relate to the management... that intermediate guy would be somebody with knowledge of the job, not somebody coming from college coming in and saying 'oh, I've got a degree in this'. That doesn't understand the job in itself... it should be somebody with knowledge. You could see that guy, if you've got a problem, or struggling with this job. At the moment, we've nobody to see... there should be somebody in who's skilled at the job.

Employee, Zincpipe

This theme was also reflected in the struggles of the quality manager at Zincpipe (also newly recruited from the production manager's previous organization) to perform his job with limited knowledge of the processes he was responsible for overseeing:

I could work at a hell of a lot faster pace if I didn't have to ask people this, that and the other. And when you've only been in the company... seven months... you're still asking 'what's this, what's that, what is he talking about'... that's where it's difficult for me... fortunately, our workforce... are pretty good, and they've a good understanding of the required standard, and I don't need to do that too much... generally, the lads... know the standard, they know what to reject, they know what's acceptable, and they know a damn sight more than I do!

At Bodywork, a series of professional managers lacking knowledge of the operations of the company had arrived and departed rapidly. Finally, a manager with detailed experiential knowledge of Bodywork's sector was recruited; this expertise was argued by the owner-manager and the manager himself as key to managing the business processes:

I think my strengths are that I know the business inside out... it makes it easier for other people to understand what you're trying to do, to see the results you've had by operating at a high standard and hopefully they do try and emulate that...

From this, we can suggest that that making managers in our case study companies can be seen as a series of processes: technical, managerial, and social. In addition, managerial competence at line level may be seen as partly constituted by employees. If the managed perceive the line managers to be technically competent, then there may be a readier acceptance of him or her as a manager; if the manager is perceived to lack knowledge of the productive processes, conflict may be generated by managerial intervention. Formal management training was not a primary issue in assessments of managerial competence, yet

it was practised in all four case study organizations. It is to the role of management development through formal study that we now turn.

Confidence building through management development

More than ten of the employees at Bodywork had been or were going through short courses with Dale Carnegie Leadership Training; the production manager at Zincpipe held an MBA from a prestigious English business school, and encouraged managerial staff to attend short courses; the shopfloor manager at Gearbox was in the process of completing a Diploma in Management Studies funded by an employer's federation; and department managers and supervisors at Diamondcom were attending a series of Chamber of Commerce courses related to management of people. However, systematic management training and development through encouraging personnel to attend longer courses at business schools funded by the organization was notably absent.

The courses attended were not perceived by the participants as particularly helpful in terms of providing 'new' knowledge and techniques, more as something of a 'rite of passage' (Holman and Hall, 1996). However, to take a purely symbolic perspective on these courses would be to deny both any practical utility, and to de-prioritise the effects on the work group in which the manager is constituted. The course participants were often not in management positions. At Bodywork, employees were attending courses in the expectation that they would ultimately move into more managerial positions. In this, attendance at management courses could be seen as part of a 'rhetoric of training', "in part to foster the impression that the licensed practitioner is someone who has been reconstituted by his learning experience and is now set apart from other men" (Goffman, 1990: 55). A department manager at Diamondcom saw the course she had recently completed as providing legitimacy to actions and attitudes already acquired. A manager at Bodywork used similar ideas and different language:

I went on a week's course with the Chamber of Commerce in Manchester, management course, which just sort of reiterated everything that you already know - but it was nice to hear... it's all right to say to people, 'look, I need an hour to myself, just go away!' You know, 'cause you think... I'm acting like a [...], and sometimes you do have to act like one, so it was quite nice to hear that that's all right sometimes.

Manager, Diamondcom

I think all it [a management course] can do really is to increase people's confidence.

Director and department manager, Bodywork

At both Diamondcom and Bodywork, the introduction of a professional managerial cadre between the owner-managers and employees had been generated by increasingly unmanageable workloads for the company owner-directors. The break point arrived for both when around forty people were employed by the companies.

I identified that the only way we could get it right was to bring in more senior managers, into the business, which is what we've done. And pay them more - change the pay scales... we've now got through this surface tension bit, we've got past the thirty mark, we're now at forty-six, and I think that's down to... the managers in place, they've taken responsibility, [we have] good management meetings... and we work together.

Owner-manager, Bodywork

When we got to about 40 people, we'd got to breakpoint. Our management skills were not the best in the world - you know, we worked hard, but it got to the point where we realised we were either going to be dead because we were having to do everything, because we'd been too busy to create a structure underneath us, and so eventually everything had to come to us, and you just can't do it.... at least now... we can bring in the people with a skill, and with the knowledge... it's tough, when you can't afford to do that and you've gotta go and learn it yourself - bloody day courses here... sit up all night reading up on it to see what it's all about...

Owner-manager, Diamondcom

The similarity of the growth of the two companies was striking. The introduction of dedicated, professional managerial staff at both of these companies had, according to the owner-managers, led to an increase in stability, more than any marked rise in profits or turnover. Crucially, it had removed from the owner-directors the need to manage and be responsible for everything that occurred in the daily processes of 'doing the business'. One of the owner-managers at Bodywork said:

I don't think there's any added pressure on my husband and myself, because there are people there who are buffers. We've now got what I would consider a proper management team.

Those being developed as the managers of the future judged themselves and their current managers when speculating on how they would manage, or like to be managed. Many spoke of learning from watching, and of the experiential learning process which took place in the everyday reality of being managed. Management was learned not just from colleagues (Bryman, 1986), but also from superiors, subordinates, and others. For many, this was put forward as the key learning process in acquiring knowledge in the management of people:

I have been on a couple of courses... more like seminars, really, I've been on a few of those... and I learned a lot of stuff from my old boss...

Employee, Gearbox

All I can do at the moment is watch, watch other people and take from them, take what they do and try and apply it myself.

Employee, Bodywork

I've not had any what you would call formal management training... most of it's been learnt the hard way... [over time] you get to see what works and what doesn't. I will manage people how I like to be managed.

Manager, Bodywork

From being a junior, I've never appreciated somebody mandating that you shall do this... and that's a management style that I try to use, to try to openly discuss things, make people aware...

Manager, Diamondcom

I think how they [other managers] do it, and do the same myself.

Supervisor, Diamondcom

I'd be a bit of Jim and a bit of John. I mean, Jim keeps his personal and his outside life away from the staff... he won't go to a pub... but with John, the pub, it's like he lives there, it's his second office... I'd probably work hard for them both. If I worked for Jim, it would be 'I've gotta do it because he's there watching me do it', or else I'd be down the road, but I'd work just as hard, if not harder, for John out of respect for him, for his management...

Employee, Bodywork

In making and maintaining managers and managerial competence, then, we would suggest that there are multiple and complex contexts. Employees judge on technical and managerial competence, or in relation to how they would manage, or would like to be managed; managers pick and choose styles and techniques from experience and courses, as well as taking from experience of being managed. Ultimately, however, questions of where expertise and style originated may be subordinated to the productive function of management:

Everybody has their own style... people criticise managers, but they've never been managers themselves... I've been a team leader and I know how difficult it is to motivate people. People think you're getting personal... but it's not personal, that's the thing, it's just professional... what matters at the end of the day [is] the business, the results, and how that's going - I suppose they [the style and techniques] are really irrelevant if they work.

Employee, Bodywork

Discussion and conclusions: The contestation of symbolic and practical competence

In this paper, we have sought to provide an analysis of processes of management development in smaller organizations, rather than the more usual account of how to achieve growth through development of management skills (Marshall et al ., 1995). In this, the aim is to approach an understanding of "how the inherent incompleteness and elasticity of any rule set *work* on any given occasion of its use" (Boden, 1994: 204 – original emphasis). We have suggested that management development may be a predominantly symbolic action (Pfeffer, 1981), an attempt to manage meaning (Gowler and Legge, 1983) through conformity to a discourse of 'management competence' as part of a 'rhetoric of training' (Goffman, 1990). We have also sought to show that employee resistance to managerial judgements of their competence was driven by perceptions of technical competence, and that this led to a questioning of management competence in more general terms. Employees used technical (in)competence as a means of not 'honoring the occasion' (Van Maanen and Kunda, 1989) of management, subverting managerial authority. Those managed in our four case organizations showed a clear preference for managers with experiential knowledge of the production systems (whether services or manufacturing), and many of the managerial respondents saw it as a means of gaining respect from subordinates, facilitating the direction of operations.

We have also proposed that management development is seen as largely symbolic by management trainees, providing confidence in existing practices, or confidence that behaviour could be justified through reference to norms of management. From this, we would suggest that the intrusion of abstract systems of legitimation may undermine pre-existing, 'local forms of control' (Giddens, 1991), in which managers win their authority through technical competence. However, although managers may be competent, they also need to have competence, in the 'institutional arrangement' (DiMaggio and Powell, 1991) in

which they exist. The formalisation of management development through the use of external legitimators, as well as being a legitimization of managerial authority (Gunnigle and Brady, 1984), may form a means of legitimating the individual and his/her skills, generating inclusion in a society which supports a notion of expertise as structurally legitimated (Kondo, 1990).

A further theme in our data was the difficulty of finding and retaining managerial employees in the four case study organizations. To overcome the loss of personal control which growth in number of employees entails, all four companies had sought to engage a layer of professional managers. The owners of the companies appeared to value the new layer of staff highly, and saw in the new managers the means to continue the success of the organizations. However, the adoption of this style of organization was often the end-point of a long struggle, implying that the first instinct of the owner-managers of Zincpipe, Diamondcom, and Bodywork was to retain absolute power for as long as possible (Kets de Vries, 1991; Hendry et al., 1995). We would further suggest that the difficulties in recruiting and retaining managers was partly engendered by the indeterminacy of the role and functions. Not only is there the difficulty of making managers to replace an individual or group with absolute knowledge of the organization (Kondo, 1990), who in some cases *is* the organization, there is the subsequent doubt and confusion as to what the manager is in relation to owner-managers and employees. The resistance of employees, in part manifest through the characterisation of managers as technically incompetent, and therefore not in possession of a prerogative, may be related to the absolute authority of the owner-manager/founder.

The relative lack of engagement of smaller organizations and their managers with formal management education and employee development is, as noted at the outset, increasingly taken as a prominent dynamic in business failure or perceived underperformance. Our analysis, concentrating on management development as embedded within the four organizations studied, leads us to question whether and why these managers would participate in lengthy formal management development given the demands it makes on the organization financially, and the individual temporally. The socially embedded nature of the learning and learning needs in these organizations would seem to indicate that the range of barriers to convincing small organizations that it would be of benefit to participate in training either employees or managers is wider than simply structural or operational, as often argued.

Ultimately, then, in this paper we have sought to argue that the actions which individual managers take, while working within structural constraints, are essentially evaluative in relation to both the contexts of the action, and the construction and maintenance of an identity at work. The managers who took part in this study were evidently interested in becoming legitimate in a credentialised way, by participating on certificated courses. This was encouraged by the company owners and senior managers at Diamondcom, Bodywork, Zincpipe, and Gearbox, and the qualifications gained provided a status of some kind within the organizations and the wider working world. However, it may be that if management education is asked to balance the demands of the structural contexts (to be qualified and legitimate) and the cultural surroundings (to be technically competent and socially credible), then business schools can only ever supply part of the solution to the perceived problem of poor management in smaller organizations.

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Notes

¹ We use this term to indicate our belief that ‘size determinism’ has been a major failing of research into small companies. Even a cursory glance at research dealing with ‘small firms’, ‘SMEs’, ‘small and medium sized firms’, ‘mid -corporate’ companies, or ‘*Mittelstand* firms’, indicates the difficulties of definition which are encountered in seeking to treat smaller organizations as a stable set of homogeneous entities. In this paper, we use the term ‘smaller organization’, in order to differentiate the data collection sites from the large corporate organization, employing thousands over many sites and countries. However, this is not suggested to be a robust category (Curran and Stanworth, 1979). Rather, it is intended as a relatively indeterminate label which leaves space for exploration of the multiple means through which the organization may be defined and understood. We would accept that the number of employees and managers remains a conditioning influence on the actions, meanings, and understandings within the four companies, but prefer to see our approach as more cultural than structural. The reified notion of a typical small firm should, we suggest, give way to a sense-making context retaining both commonality with and difference from other organizations.

² These figures are taken from the Association of Business Schools annual reports for 1999 and 2000.

³ Although this argument could equally be made for the encouragement and provision of much management education to larger organizations, we would argue that smaller organizations are more often the focus of directed policy initiatives which include such appeals to instrumental logic.

⁴ These names are all pseudonyms, as are all of the personal names used throughout the paper. This is to ensure anonymity for the individuals and companies involved, a commitment which formed part of access negotiations during the research.