LOCAL MANAGERS' VALUES-BASED REACTIONS TO TRANSFER OF WESTERN HRM PRACTICES: CASE STUDIES IN FDI AND NON-FDI COMPANIES IN POLAND

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In […] public bureaucracies, as well as in traditional work organizations, it is […] lower-status members who are often depicted as the objects of attention and influence, the people to be 'processed'; it is for them that elaborate theories are developed and implemented.

<div align="right">(van Maanen 1976 in Kunda 1992: 268)</div>

Abstract

CEE workplace modernisation involves local managers implementing Western HRM practices supported by managerial learning. Effectiveness of transfer in post-1989 transition has been questioned in a view of legacy of socialism. This study explores local managers' values-based reactions to transfer of practices in FDI and non-FDI companies in Poland between 2005 and 2008. It combines institutional and managerial learning approaches to examine transfer of practices. It compares the effects of neo-liberal, managerial-learning-emerging values, with the effects of external pressures of transition, socialism and historical- experience-based traditional values. The study uses qualitative case study method.

The thesis is divided into seven chapters, with Chapter 1 on the research question and the conceptual framework. Chapter 2 reviews organisational-level themes in literature, and Chapter 3 - contextual themes. Chapter 4 describes the study's case study methodology based on semi-structured interviews, observations and documents. Chapters 5 to 7 include findings, discussion and conclusions. The study's conclusions are that the effect of managerial learning is ambivalent and limited, because of effect of values. Individualism and competitiveness of HRM contrast with misattributed-to-socialism regional identity traits of egalitarianism and collectivism. In managerial learning, behavioural and cognitive change created unintended consequences of self-interest and passivity, thus becoming moderating factors. A mix of pre-existing and emerging values produces variation in reactions. Local managers' support and institutionalisation of practices is limited because: - a) a small number of managers create distorted practices with negative outcomes for practice participants; b) a limited number of managers participate in transfer, or develop customised practices. The theoretical contribution of the study is an extension of managerial learning theory, and a

proposed typology of variation in reactions. The contribution to management

practice is empirical evidence for effectiveness of negotiated approach to transfer.

On a wider level, the study contributes to a deeper understanding of CEE

workplace modernisation.

Publications

(chapters in international monographs)

Hines, M. 2006. 'Cultural identity in a context of integration and globalisation'. In Z. Tomczonek, (ed.). 2006. Wybrane Problemy Panstw Europy Srodkowo-Wschodniej w Dobie Globalizacji *(Selected Problems of Central and Eastern European Countries in the Age of Globalisation)*, 18-30. Bialystok: Technical University Press.

Hines, M. 2005. 'Effect of globalisation on work practices in a workplace". In J.C. Jaskievich, (ed.). 2005. Slavianskije Strany w Uslowiach Sistemnoj Tranformacij i Ewropiejskoj Integracii *(Central European Countries in Conditions of Transformation and European Integration)*, 145-149. Brest: Izdatielstwo BGTY.

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1: Introduction

1.1 Preliminary remarks

The post-1989 economic transition from socialist to market economy in CEE countries with resulting societal transformation provides background to workplace reform with transfer of Western management concepts and practices. The transition as experiment has been of unparallel interest to researchers, and effectiveness of transfer questioned in view of legacy of socialism. Modernisation of enterprises involves local managers implementing HRM practices, supported by managerial learning. The study engages with integration and negotiated approaches to transfer. It attempts to advance understanding of effectiveness of transfer in CEE workplace, by providing empirical evidence for variation in reactions to transfer. The research question asks specifically about managerial learning as internal pressure for transfer of new practices, and affecting change in local managers' values. It also considers levels of support for practices, and appraises a likelihood of local managers' implementing customised and hybrid practices. For the purpose of clarification, the terms used in the title are explained next.

'Local managers' are Polish nationals, predominantly line managers, employed in managerial and supervisory roles in FDI and non-FDI companies. The term 'local', as opposed to 'global' corresponds to 'host-country' and 'domestic' used in literature, especially in a context of multinational (MNCs) or global companies participating in CEE (Central and Eastern European) countries' economies. 'FDI companies' are multinational foreign direct investment companies with regional offices in Poland defined broadly by Djarova (1999: 15) as 'Western […] various business relationships with local partner firms, including strategic alliances and joint ventures'. My operational definition for 'non-FDI companies' is that these are

privatised, and formerly state, Polish companies with no foreign equity. In management literature, the term 'Western' implies the opposite of, and more modern than local or domestic, and in this context –non-Western ideology (Lang and Steger 2002: 279).

'Values-based reactions' are reactions, which are based on subjective values of actors. In social psychology - 'values are the consistent, personal assumptions we make which underpin our attitudes – concerned with general principles like moral rights and wrongs, or social desirability' (Hayes 1993: 93). The detailed conceptualisation of values in this study is discussed in the research question section (1.5) and in the theoretical framework section (1.6) of this chapter. Discussion on a concept of values in the literature is included in section 3.3 in Chapter 3. 'Reaction' is defined in a social psychology context and implies an opposing force - '…entails resisting external influence [and] shift in a direction opposite to that being recommended' (Baron et al. 1989: 93-94), and is associated with 'negative attitude change' (Brehm 1966 in ibid.). According to Oldham (1987), behaviour and attitudes are demonstrations of reactions (ibid.85). In this study, local managers' reactions are indicative of their support for transfer, or lack of it, for HRM practices.

The term 'transfer' is conceptualised here as a relationship between two parties, a transferring and a receiving party, in line with a concept of transfer as interaction between parent country and host country systems (Ferner and Quntainilla 2001), and with a concept of transfer as tension between implementation and adoption (Kostova and Roth (2002). The phrase 'transfer of Western HRM practices' is used in the study to reflect that a process of transfer, together with its content, i.e. specific practices, are examined. The concept of transfer in this study is further elaborated in the research question and the theoretical framework sections of this

chapter, and discussion on a concept of transfer in the literature is included in Chapter 2 (sub-section 2.1.2).

Western HRM practices are practices in the area of managing employees, with Human Resource Management - HRM as a part of 'soft' knowledge transfer. The previous term for company employees - personnel, or staff, has been replaced by the term 'human resources', defined as 'management of the employment relationship […] the integration of employees with corporate business strategies, the development and enforcement of corporate culture […] the increasing focus on the individual as opposed to collective employee relations […] the devolution of employee management to the line managers' (Legge 1995 in Hetrick 2002: 334). The involvement of line managers in managing employees, with individual contract of employment, quantitative performance monitoring and reward management, are main differences between pre-HRM behavioural approach and economic approach of HRM (Gannon et al. 1999: 41). For practices, I use Kostova and Roth's (2002: 217) definition of organisational practice: - 'routine use of knowledge for conducting a particular function that has evolved over time…reflect[s] the shared knowledge of the organization'. Western HRM practices, conceptualised in literature as performance-related (Bowen and Ostroff 2004), are transferred to new settings with the aim of achieving productivity and efficiency. The HRM practices specifically explored in the study are limited to practices that emerged from fieldwork data, and as interpreted by interviewees: competency model, Management by Objectives (MBO) with components of appraisal/feedback, performance pay, coaching/mentoring; and training and teamwork.

1.2 Scope of the project

The study takes an interdisciplinary approach based mainly on management literature on CEE transition focusing on Poland, and with a comparative context of other CEE countries – Czech Republic, Hungary, and Russia. It includes some texts from sociology, philosophy, political economy, and political history to illuminate a background of the research setting. It also draws on pre-1989 and post-1989 Polish language management literature.

Poland was selected as a location for the study for two reasons. Firstly, on the grounds of relevance – being an example of a CEE country that, according to the IMF economic indicators, successfully transitioned from socialist to market economy over the last 17 years. More importantly, because of the researcher's one-year experience of in-company training between 2002-2003 in Romania and Poland, and earlier consultancy work on a one-year JV (joint venture) project in 1989 in Poland. This prior experience facilitated language skills, contacts and subsequent access to case study sites and have guided a preference for case study method. These experiences are detailed in Chapter 4 on methodology. The time-span of the study of 3 years, from 2005 to 2008, corresponds with the dates of the doctoral course and includes research and fieldwork for the thesis.

The present study is limited to three large companies in the financial services industry based in Poland, with interviewees nominated by the companies' HR departments. The interviews were held in companies' offices at different addresses at pre-arranged times over three years. Observations were also made over that period. Documents utilised in the study are these in the public domain: articles in the press, shareholders' reports, and companies' websites. Some internal documents were supplied to illustrate HRM practices. A confidentiality agreement

was signed with one company, and a verbal undertaking of confidentiality with two other companies.

The HRM practices in the study are limited to these used in case study companies, and to local managers' perceptions and interpretations of these practices, with no attempt on the part of the author to evaluate application of practices in companies studied.

1.3   Contents

The thesis focuses on local managers' reactions, based on their values, as actors who transfer, or not, Western HRM practices in FDI and non-FDI companies in Poland. The thesis is divided into seven chapters, which are preceded by the title page, the abstract and the acknowledgements, the list of contents and the list of illustrations. At the end of the body of chapters, there are references and appendices. Each chapter commences with an introduction, followed by the sections of the main body, and ending with a concluding section.

Introductory Chapter 1 is divided into six sections. Its aim is to outline the structure of the thesis, and to introduce the research question and the theoretical framework. The first four sections present the following: – the definitions of terms of the title (1.1), the scope and limitations of the study (1.2), the contents (1.3), and the study's contribution (1.4). The last two sections concern the research question and the theoretical framework I developed to address it. The concluding section sets out the structure of the thesis.

Section 1.5 details the development of the research question in four sub-sections. It elucidates the reasons for the author's preference for negotiated approach informed by empirical evidence from data analysis in Chapter 5 and from the

literature reviewed in Chapters 2 and 3. Theories from institutional and learning frameworks are identified that when combined into the theoretical framework, answer the research question.

Section 1.6 details the theoretical framework in four sub-sections. These describe four constructs of the framework in turn: transfer of HRM practices (A), reactions (D), managerial learning (C), and local managers' values (B). Figure 1 is a graphic representation of the framework. It is returned to as Figure 3 in Chapter 6 (section 6.2) in order to focus on variation in reactions (D) -a contribution of this study. First, for construct A, I identify concepts from the Kostova and Roth's (2002) practice adoption theory relevant to grounded-theory conceptualising in this study. Second, for construct D – I outline a concept of reactions in the literature developed into a typology of reactions in Chapter 6. Third, for construct B, I utilise concepts of the deinstitutionalisation theory of Oliver (1992) with values-affecting external pressures: post-1989 transition, and FDI companies – external societal pressure, and moderating factors of entropy and inertia: pre-transition socialism, and earlier historical experience. Historical analysis in Chapter 3 identifies historical experience-based national and regional traits. Fourth, for construct C, I describe how the managerial learning theory of Child and Markoczy (1993) is applied in the study to explore forming, or not, of neo-liberal values. Support for forced learning, received learning, imitation, segmentation, integrative learning, and non-learning, is found in this study's data. I follow the structure of the theoretical framework's constructs and elements with cross-case themes in Chapter 5 on findings. I follow the structure of the theoretical framework in a set of themes in the literature review in Chapters 2 and 3.

In Chapter 2, I concentrate on organisational-level themes - FDI companies. HRM practices, outcomes of practices and local managers. The aim of the chapter is to

assess existing CEE literature relating to internal pressures in transfer. In the first section, I review FDI companies' role first - as environment for transfer, second - as agent for technology and knowledge transfer. I show that FDI companies appear to be commercial interests-controlled in technology transfer, and bi-directional in knowledge transfer. The second section comprises: former personnel model, HRM practices and implementation of HRM. First, I note that employee welfare of the former system is present in non-FDI companies. Second, I report on the effectiveness, or not, of a wide range of HRM practices in CEE workplaces. Third, I describe how implementation models evolve from integrative, to contingent approaches. I draw out the significance of hybrid practices, being partly effective, but implying transfer with consent of participants. The third section reports on outcomes of HRM practices – reactions, and explanations for reactions. I note that homogenous, negative reactions of local managers of early-phase transition are in later-phase replaced by variation in reactions. I draw on the significance of outcomes of reactions to practices as leading to contingent or customised HRM practices. The fourth section focuses on examining local managers' abilities to transfer. I review topics of Western managers' perceptions, local managers' perceptions, of pre-1989 managers, and of later-phase managers. First, I show negative and positive perceptions of socialist managers. Workplace egalitarianism, low social status of managers, and autocratic management styles were found alien to ideology of market economy. Second, I report on negative perceptions of foreign owners and consultants by local managers, explained by different objectives of manager's role in socialist and capitalist workplace. Third, I compare management objectives of socialist and Western managers. I draw out the significance of a narrow role of Western manager and of a stakeholder approach of socialist manager. Fourth, I compare local managers that work for FDI and non-FDI companies and find that effectiveness of the latter is impeded by lack of management techniques and over-reliance on instinct. The last section concludes that local managers transfer practices in con-current processes of de-

institutionalisation and institutionalisation. It leads to Chapter 3 that considers further explanations to local managers' reactions in external political and societal pressures, and historical experience.

In Chapter 3, I focus on societal-level themes –post-1989 transition and pre-1989 system, historical experience and traditional and neo-liberal values. The chapter's aim is to analyse historical factors as forming pre-existing values and to compare them to current values. The first section on external pressures shows to what extent free market system, and socialist ideology of former economic system, matches regional and national identity traits. I find duality of values present in socialist, pre-transition period. I draw on the significance of transition reinforcing regional values, thus becoming moderating factor (Oliver 1992) in transition. The second section shows how historical experience of the region, and in its context – Poland's, created regional and national identity traits. I consider a concept of 'freedom from' as significant for national identity. I draw out an idea of duality of values originating from historical experience. The third section concerns traditional and neo-liberal values in CEE countries. It discusses to what extent socialist and neo-liberal values can be identified as current values and whether emerging values match regional and national identity traits. Post-1989 transition reinforced regional and national identity traits for all, except for the elites. Emerging neo-liberal values are predominantly part of work values, but not of personal or societal values. I find contradictions in work values. Duality of values, originating in historical experience continues under conditions of external pressures. Themes from literature of Chapter 3 and Chapter 2 are then followed in data analysis of Chapter 5, and discussed in Chapter 6. Next, Chapter 4 is concerned with describing the study's methodology.

In Chapter 4, I focus on describing the research process in six sections: methodological approach, research design, sampling, developing access, data

collection methods and data analysis. The chapter's aim is to give an account of how the research process was conducted and to justify methodological choices. The first section shows how prior experience affected the research question and in turn, the qualitative nature of the study. The second section outlines the structure of the research design of multiple case studies, with description of variable measurement, quality criteria, bias avoidance and ethical practice. I draw out the significance of case study design for enfolding rich data in a natural context of companies. I elaborate development of variables from the data and the literature, and measurements of scale and interview analysis. I show how the research design fulfils the quality criteria of validity, reliability and triangulation. The third section shows how sampling was conducted. I found employee sampling controlled by key informants. In company sampling, I draw out the significance of theoretical sampling (Eisenhardt 1989:533), which is also incremental, leading to an abductive process of travel between theory and data. The fourth section on developing access deals with two topics: - a) the complexities of studying companies abroad and, b) incorporating ethical practice into the research process. In the former, I note the importance of existing contacts in negotiating access to case companies. In the latter, I find that ethical practice with relation to individuals contradicts a post-interview member validation procedure. The fifth section describes data collection methods designed to answer the research question: interviews with observation and documentation. I report on limitations of note taking in interviews. The sixth section describes the grounded theory procedures (Strauss and Corbin 1998) I use to analyse cross-case themes. Next, Chapter 5 elaborates findings from data analysis.

In Chapter 5, I first introduce three case companies. Cross-case analysis of the study's themes then follows in three sections. The chapter's aim is to provide empirical evidence that answers the research question. Three sections on main categories/themes correspond to constructs of the theoretical framework detailed

in Chapter 1. Sub-sections in sections contain sub-categories/sub-themes broadly corresponding to elements in constructs of the framework. A coding process is shown in Appendix D, and a coding frame in Appendix E. Every theme is illustrated by an analytical table – part of a summary matrix presented in full in Appendix F. The first section outlines profiles of case companies with a focus on the case companies' implied business strategies drawn out from statements in company literature. I note the significance of similarity of cost-to-income ratio in FDI and non-FDI companies, thus suggesting no link between company's financial performance and HRM practices (Pfeffer 1998). The second section - on transfer, contains two sub-sections - on implementation, and on content of HRM practices. First, I draw out the significance of local managers customising practices in order to gain acceptance of employees. In the second section, I show how managers evaluate aim of practices, their ethical content, and effect on self and others. I draw out the significance of transfer of pragmatic practices, and ambivalent transfer of practices perceived as hard or distorted. In the third section, I focus on training – managerial learning that aims to produce cognitive and/or behavioural change in three sub-sections. In first sub-section– on perceptions of training, I note that intensity of training does not accelerate transfer of HRM practices. In the second sub-section– on manager-owner relationship, I draw out the significance of self-interest and objectification (Bukharin 2006) as unintended consequences of behavioural and cognitive change in managers. In third sub-section – on perceptions of managerial role focus, I find that local managers tend to use mixed approach of neo-liberal, social democracy and socialist paternalism ideas to avoid conflict of values. I allude to a topic of employee reactions to HRM practices, as reported by local managers that provides negative evidence on transfer of practices to subordinates. The fourth section deals with local managers' values based on historical experience, external pressures of transition, and pre-1989 system. First, I analyse data on national identity traits, second – on regional identity traits, third – on transition, and pre-transition period. I find that

experience of transition rather reinforced national and regional identity traits. The last section compares key findings from FDI and non-FDI companies concluding that local managers transfer HRM practices to a limited extent. This outline is followed by a typology of local managers' reactions to practices in Chapter 6.

Chapter 6 consists of five sections: - first, a typology of reactions – a contribution of this study, second, third and fourth – a discussion on three main themes, last – propositions on relationships between variables. The chapter's aim is to introduce a typology of reactions, and to discuss findings. In the first section, Figure 3 – a modification of Figure 1 shows an integration of four constructs with effect on transfer of practices. The data analysis of Chapter 5 is summarised in Table 11 to demonstrate how variation in use of HRM practices affects transfer. I propose Matrix 1 – a two-dimensional four-cell representation of variation in reactions. I elaborate each type as determining different outcomes in relation to transferring HRM practices – the focus of the research question. I identify a role of the typology of reactions as containing patterns of relationships between key theoretical ideas (Greenwood and Hinings 1988:296). In the second section, discussion on transfer as implementation and adoption is viewed through the lens of the practice adoption theory of Kostova and Roth (2002). Findings in literature on contingent use of HRM are supported by this study. Standardised practices are used by FDI case companies. The surprise finding was a hybrid HRM system in a non-FDI case company. I draw out the significance of hard HRM and misuse of practices in FDI companies, with negative implications for practice transfer. The third section concerns local managers' values and the findings from the data are viewed in the light of the deinstitutionalisation theory of Oliver (1992). I note that national identity traits are acknowledged, and regional identity traits are misattributed to socialism. The effect of misattribution is an attempt to de-institutionalise regional traits, that subsequently creates distorted practices. I

conclude that transition and historical experience reinforce traditional values. The fourth section concerns managerial learning and discusses findings in the light of the managerial learning theory of Child and Markoczy (1993). According to the study's findings, the content of HRM practices rather than the content of training programmes impedes effectiveness of learning for the reason of managers' practice evaluation. I explain how managerial learning creates ambivalent outcomes with unintended consequences of behavioural and cognitive change – self-interest and passivity or objectification. The last section puts forward four propositions that link local managers' types, transfer outcomes, managerial learning and values. Next, Chapter 7 concludes this thesis.

In Chapter 7, I reiterate the research question, address it, and come to a conclusion by examining empirical evidence and theorising from it. A specific aim of the study was to examine the effect of managerial learning as facilitating development of emerging values, and to compare it to the effect of external pressures as de-institutionalising, or not, pre-existing values. The research question also relates to the outcome of managerial learning, that is, support and transfer of practices by local managers based in FDI and non-FDI companies. Concern with effectiveness of transfer is significant, as linked to a wider concept of CEE workplace modernisation. In answer to the first part of the question: - How do values and managerial learning affect local managers' reactions to transfer of Western HRM practices? – the answer is that the effect of values on local managers' reactions is stronger than the effect of managerial learning. The reason is not managerial learning, but HRM practices that embody neo-liberal values that differ from values of local managers. In answer to the second part of the research question: - How far do local managers transfer new Western HRM practices in FDI and non-FDI companies? - the answer is that local managers tend to customise practices, rather than to transfer standard practices, thus transfer of standard practices is limited. The contribution to CEE literature, to

theory and to management practice is detailed in Chapter 7, and summarised in the next section of this chapter. Finally, limitations of methodological bias – CEE research context and of qualitative nature are stated. Another limitation is a range of topics that emerged in data analysis, but did not receive attention in this study for the reason of being peripheral to the research question. These are listed in future research topics - of effect of the EU legislation on workplace practices, or outcomes of talent management programmes, or workplace practices in domestic SMEs are of significance for CEE workplace modernisation.

1.4   Contribution

The thesis's aim is to advance understanding of transfer or of potential institutionalisation of Western HRM practices by local managers in a setting of FDI and non-FDI companies in later-phase transition. I consider the contribution of the study to be threefold: - to CEE literature on the grounds of originality, to theory, and to managerial practice: (a) I develop a typology of variation in reactions to HRM practices of local managers I propose herewith; and examine effects of managerial learning and values on reactions; b) I report reactions of local managers to Western HRM practices using empirical evidence from FDI and non-FDI companies, extending the managerial learning theory of Child and Markoczy (1993) in terms of empirical application; c) using empirical evidence collected, I argue for the likelihood of local managers being guided by a mix of pre-existing and emerging values, thus customising practices rather than transferring standard HRM practices.

1.5   Research question

The post-1989 economic transition from socialist to market economy in CEE countries, with resulting societal transformation, provides background to

workplace reform. This study differentiates between terms of 'early-phase' and 'later-phase' in relation to transition and to literature on transition. It follows the two-phase model of institutional development of Peng (2003), illustrated by transition in Hungary (Steensma et al. 2005). Early-stage – that is after 1989, is mainly characterised by political instability, corruption and weak institutions (North 1990), with limited capacity for learning. Later-stage – that is from 2000, is related to creating 'formal legal and regulatory regimes' (Steensma et al. 2005: 215) with the help of European Union directives as 'strong third-party enforcement' (ibid.) preparing first-wave entrants, including Poland, Hungary and Czech Republic for the 2004 EU membership. There are also other economic and market indicators used by the IMF to establish stage of transition, including country's income indicator (ibid.216), and according to economists, in most countries transition is over (Svejnar 2002: 25). My assumption is that on an organisational level, which is a context of this study, transition as societal transformation is still in its early-phase. I further discuss transition and transformation concepts in Chapter 3 (section 3.1).

The research question focuses on actors – local managers, a unit of analysis, within a context of CEE workplace transformation, and a wider, societal context of economic transition. In CEE countries economic transition commenced with neo-liberal approach (cf. Hayek 1992; Sachs 2005) based on a positivist epistemology that successfully privatised state industries in the UK in the early 1980s. As a result of political pressures applied by international institutions - the World Bank and the IMF, the introduction of market economy in all CEE countries – a former Eastern Bloc, became a condition to a post-1989 economic rescue. In the opinion of political economists: 'The East's deep indebtedness gives the West a powerful level with which to influence policy' (Ost 1993: 484). Thus, 'free market' reforms were imposed on economy and social institutions by Western institutions, and on organisational level, in a form of Western management practices. On an

organisational level, CEE literature shows how a neo-classical mainstream approach dominates early-phase transition, and gradually evolves into negotiated approaches. Mainstream approach follows a concept of modernity, where practices are diffused and 'actors adopt practices from national and world centres' (Strang and Meyer 1993: 502). Based on 'learning from experience of others', the key assumption is that 'collective standard' and 'ultimate values' will be accepted (ibid). Thus, many studies argue that in socialist organisation, management practices were obsolete or defective (Cakrt 1993: 66; Hardy et al. 2005: 280; Hurt and Hurt 2005: 38), and needed a complete overhaul (Schama 1993: 28). However, researchers report that Western practices including HRM, were met with negative attitudes of managers and non-managers (Child and Markoczy 1993; Hurt and Hurt 2005; Kostera 1995; Markoczy 1993; Michailova 2000). The reasons for reactions had not been studied or fully understood.

Contrasted with mainstream approach is negotiated approach (Geppert and Williams 2006) to transfer. It recommends integrating national values of the region into the new systems (Suutari 1998; Villinger 1996), accepting many organisational forms (Whitley and Czaban 1998), and creating 'hybrid' systems (Hetrick 2002). In culture-theories-based transfer literature (Ferner and Quintanilla 2001), 'hybrid' approach, which 'adapts home-country ethos to local realities, appears possible and effective', thus preferable to - 'ethnocentric approach, imposing home-country practices and policies…[…] comes at a price' (ibid.121), of extensive socialisation via training. Later-phase CEE literature shows more studies adopting 'shared values' approach (Hurt and Hurt 2005; Kahancova and van der Meer 2006), or 'reciprocal adjustment' (Camiah and Hollinshead 2003), in order to avoid conflict (Geppert and Williams 2006: 55), or more generally - reactions. In a context of CEE organisation, reactions are expressed by turnover (Meardi 2006: 1372), or passivity (Whitley and Czaban 1996), with an alternative of positive reaction of job satisfaction, for which there is

no evidence in literature. Reactions in negotiated approach had been reported or alluded to. This research attempts to contribute to CEE literature by studying reactions. It supports negotiated approach (Geppert and Williams 2006) by showing how managers' reactions to transfer of Western HRM practices vary in FDI and non-FDI companies.

HRM practices are applied in FDI companies to achieve the objectives of productivity, efficiency and performance goals (Djarova 1999), and to implement multinational companies' (MNCs) business model across their subsidiaries (Bartlett and Ghoshal 1995), or to install global culture and values (Graf 2004; Hetrick 2002). In local companies, the pressure to compete with FDI companies forces non-FDI companies to use Western HRM practices (Lang and Steger 2002: 286). Some scholars speculate that Western HRM practices used selectively, that is - adapted to local context by domestic companies - would produce 'outcomes superior to those enjoyed by the foreign firms' (Weinstein and Obloj 2002: 656).

Focus on the role of Western consultants, foreign and expatriate managers as facilitators of workplace transformation in FDI companies is well documented in early-phase literature (Child and Markoczy 1993; Hetrick 2002; Hurt and Hurt 2005; Kostera 1995; Markoczy 1993). Following the concept of modernity, foreign consultants and foreign managers were 'empowered actors […] assumed to have the capacity to innovate and reform, they also have the moral duty to do so' (Strang and Meyer 1993: 503). In later-phase literature, participation of local managers in transfer of Western practices has been under-explored. What remains unexamined is - how do local managers react to transfer of Western management practices? Do they institutionalise (Frenkel 2005), or internalise (Kostova and Roth 2002) practices, as predicted in mainstream approach? Do local managers transfer practices in non-FDI companies? How can reported negative reactions of local managerial and non-managerial employees be

explained? Perhaps Western HRM practices are modified by local managers, as recommended in alternative negotiated approach.

To address these questions, I focus the main research question of this study on local managers, who are a unit of analysis, as actors supporting, or not, Western HRM practices in a transfer process in FDI and non-FDI companies in a context of post-1989 CEE transition. By examining local managers' reactions, this study engages with existing approaches, showing that aim of transfer is informed by classical approach, but becomes negotiated approach with outcome of reactions, via local managers who tend to negotiate practices. The study attempts to illuminate the ideas of managerial learning and of values that affect reactions, and suggests how variation in reactions to HRM practices might be explained. 'Local managers' values' term in this study is operationally defined as containing (a) pre-existing traditional values, which are related to national culture and identity, and historical experience, or/and (b) emerging, neo-liberal values. 'Managerial learning' concept in this study combines the elements of training, mostly in managements skills, with corporate culture and HRM practices. Thus, the main research question of this study can be formulated in two parts as follows:

1. How do values and managerial learning affect local managers' reactions to transfer of Western HRM practices?
2. How far do local managers transfer Western HRM practices in FDI and non-FDI companies?

To answer these questions, I develop a conceptual framework detailed in the next section, with three constructs synthesising theories from institutional and managerial learning approaches, and a fourth construct – a contribution of this study:

a) a construct of 'transfer of Western HRM practices' - Kostova and Roth (2002) institutional theory of practice adoption,

 b) a construct of 'local managers' values' (pre-existing and emerging), with sub-constructs 'external pressures and moderating factors'- deinstitutionalisation theory of Oliver (1992), and of 'historical experience' developed from literature on political economy, history, political history and philosophy,

c) a construct of 'managerial learning'- managerial learning theory of Child and Markoczy (1993),

d) a construct of 'local managers' reactions' – a typology developed from the data analysis of three case companies.

The reasoning behind using institutional and managerial learning approaches is to provide insights on two levels. Institutional approach provides a wider societal and political context of institutions. In CEE literature, institutions are defined as: - 'broad governance structures of an economy, […] its company, property […] employment law, banking systems, fiscal policies, […] education…' (McCann and Schwartz 2006: 1343), and   [in] '…transition economies undergoing substantial reform [that is] likely to include some political and economic legacies…' (Nee and Stark 1989 in ibid.). While institutional theory puts emphasis on stability of institutions, it 'lacks attention to political processes' (Oliver 1991 in Oliver 1992: 564), and does not consider 'ambiguities in the relevant legal and administrative provisions' and 'immaturity of [new] institutions' (Szalkowski and Jankowicz 1999: 1424). The post-1989 CEE transition environment would create 'high change situation' (Villinger 1996: 190) with new 'institutions seen as hostile environments' (ibid.) and old institutions in a condition of 'institutional erosion' (Oliver 1992: 566) 'under variety of conditions' (ibid.563). Oliver 's (1992) theory captures concurrent and parallel processes – of deinstitutionalisation of old system with external pressures and moderating factors (in sub-section 1.6.4).

In contrast, managerial learning approach provides individual-level focus of outcomes of behavioural and cognitive change in local managers. For two dimensions I use social psychology definitions: for behavioural change – 'concerned with the individual's tendency to act' (Hayes 1993: 92), and for cognitive change: 'concerned with the beliefs and ideas' (ibid.92). The reasoning for developing a typology of local managers' reactions is that variety in reactions had not yet been fully studied in CEE literature. Transfer of practices as institutionalising factor, context of transfer as de-institutionalising and moderating factors, with actors' values linked to behavioural or cognitive change, impacting on reactions and affecting transfer outcome in a form of standardising or customising of practices, are interlinked in Figure 1.

1.6   Theoretical framework

Post-1989, CEE transition has been explored by academics applying differing theoretical approaches: - culture theories (Bedward et al. 2003; Camiah and Hollinshead 2003; Kostera 1995), learning theories (Child and Markoczy 1993; Villinger 1999), dependency and resource-based theories (Danis and Parkhe 2002; Dyker 1999), and institutional theory (Clark et al. 2001; Lang and Steger 2002; Soulsby and Clark 1995, 1998; Whitley and Czaban 1998). The theoretical framework in this study attempts answer the research question by combining elements from different approaches to illuminate contradictions of a transfer process. The contradictions can be noticed in a concept of transfer. The idea of 'knowledge transfer' in a context of transition of CEE countries from planned to market economy, is seen as facilitating economic growth and modernising (Tung and Havlovic 1996). It is critiqued that the modernising/economic growth view is 'grounded in the cultural bias of Western modernity' (Lang and Steger 2002: 279), with 'Western structures and practices …[…] considered a universal, superior norm' (Peng 2000 in ibid.280). Some studies accept the contradictions of

knowledge transfer process, which encounters barriers of culture and values (May et al. 2005: 24), while creating emerging values that facilitate the further transfer. Further discussion on a transfer concept in the literature is presented in Chapter 2 (sub-section 2.1.2). The theoretical framework proposed here (see Figure 1 below) has evolved inductively from data collected in case study companies with some adjustments to accommodate important findings, and from the literature review process. The development of constructs is elaborated in Chapter 4 (section 4.2).

Figure 1: Theoretical framework

C. Managerial learning
(Child and Markoczy 1993)

- *behavioural change*
- *cognitive change*

A. Transfer of Western HRM practices (Kostova & Roth 2002)

- *standardisation*
- *customisation*

D. Local managers' reactions

B. Local managers' values

- *traditional pre-existing*
- *neo-liberal emerging*

External pressures and moderating factors (deinstitutionalisation theory Oliver 1992)

- *pre-1989 background to transition*
- *post-1989 transition*

Historical experience

- *regional identity*
- *national identity*

——— strong effect

---------- weak effect

Figure 1 shows four constructs, of which three – A, B, and C are based on institutional and managerial learning theories, and the fourth construct D - a contribution of this study is based on empirical evidence and in a form of a proposed 'Local managers' reactions'

typology. The framework shows how the transfer (A) of Western HRM practices produces variation (D) in reactions of local managers. Reactions are affected by 'Local managers' values' (B) and 'Managerial learning' (C). The 'Managerial learning' construct consists of the elements of the 'behavioural change' and the 'cognitive change'. 'Strong effect' links between these constructs are supported by the literature (Chapter 2), and empirical evidence (Chapter 5). 'Cognitive change' (in C) is linked to 'neo-liberal values' in 'Local managers' values' (B) construct. This link is bi-directional with no attempt to establish a cause or a consequence between the two. The 'Local managers' values' construct comprises: the sub-construct of 'External pressures and moderating factors' consisting of 'pre-1989 background to transition' and 'post-1989 transition' elements; and of 'historical experience' with 'national identity' and 'regional identity' elements. As a result of local managers' reactions (D) to transfer (A), HRM practices either remain standardised or become customised, with 'weak effect' of reactions on transfer, as shown by the data (Chapter 5). I argue that 'Local managers' reactions' (D) will have weak effect on 'Transfer of Western HRM practices' (A), because of contingencies of external social pressures of FDI companies, and external political and legal pressures. The link between 'neo-liberal emerging' values (in B) and 'cognitive change' (in C) is weak, as neo-liberal values appear to exist in dual-value system, together with pre-existing values, or are transient. Data analysis in Chapter 5 and findings in Chapter 6 support the above discussion. The 'Local managers' reactions' construct - a contribution of this PhD thesis is elaborated in Chapter 6 (sub-section 6.1.2).

Four constructs of the theoretical framework – transfer of Western HRM practices, reactions, managerial learning, and values of local managers are examined in the next four sub-sections.

1.6.1 *Transfer of Western HRM practices*

The concept of transfer applies to a technological upgrade in a form of 'hard' knowledge transfer (Schulz 2003: 444), as well as transfer of other knowledge basis - 'soft' knowledge, such as business concepts and managerial practices (Dobosz and Jankowicz 2002: 355; Lauter and Rehman 1999: 39), and HRM practices, embedded in Western business models (Hurt and Hurt 2005: 39). Transfer, according to Lang and Steger (2002: 282), 'introduces into the local organization institutional elements from another organization or from institutions in the organization's environment'. This study is concerned with the transfer of

HRM practices that involves two parties - implementing and receiving. 'Transfer of Western HRM practices' construct in this study has elements of standardisation - that is transfer of uniform practice to companies, and of customisation – that is - modifying practice to fit the receiving company.

To capture transfer in FDI and non-FDI case study companies, I use the practice adoption theory of Kostova and Roth (2002) that conceptualises a concept of transfer as tension between implementation and adoption. Contradictions of aims and outcomes of transfer are illuminated by the authors as follows. On the one hand, transferring a particular practice, seen by the head office as standardising, is interpreted by the subsidiary as imposing (ibid.215), and leads to two forms of adoption: - implementation - expressed by behaviours, and internalisation - expressed by commitment (ibid.217). On the other hand, transferring practice while giving the subsidiary freedom and flexibility in adoption leads to modification of practice (ibid.228). While the target outcome for multinational companies in practice implementation is standardisation with internalisation, it appears to be problematic, as it is affected by many factors. Internalisation, or 'practice commitment', 'can be characterised by a strong belief in acceptance of the practices' goals and values' (Kostova 1999: 313), or by 'positive attitudes toward it' (ibid.312), and 'positive attitudes toward the parent company' (ibid.318)]. Internalisation need not follow (Kostova and Roth 2002: 230) for the reasons stated above, or there may not be sufficient capability to implement. Internalisation is a concept similar to institutionalisation. The latter is understood as 'a process whereby a certain phenomenon emerges and receives growing legitimation until such time as it becomes taken for granted' (Frenkel 2005: 153); it therefore involves unquestioned use of practices and perhaps cognitive change.

Companies do not adapt passively to new practices, according to Oliver (1991 in Kostova and Roth 2002), but develop strategic responses. The reason for different responses is that when local context is different, practice is interpreted differently from the interpretation of the original context (ibid.218). Strategic responses are as follows. First, imitation is conceptualised by Oliver as a strategic response enacted as a result of pressure to conform to transfer and defined as:

conscious or unconscious mimicry of […] successful organizations and the acceptance of advice from consulting firms (DiMaggio and Powell 1983 in Oliver 1991: 152);

Imitation can also be interpreted as another form of transferring practice in local companies for competitive advantage (Lang and Steger 2002). Next, a strategy of 'ceremonial adoption' (Meyer and Rowan 1977 in ibid.), with behavioural change, takes place when practice is perceived to be 'not consistent with [employees] own values and beliefs' (Lang and Steger 2002: 220), and even legitimacy of a particular HRM practice might be questioned by employees (ibid.218). Last, a strategy of 'non-adoption' of practice is a result of emotional response of resistance when there is perceived lack of choice over implementation process (ibid.230).

In the context of this study, Kostova and Roth's (2002) concepts of implementation, internalisation, imitation/segmentation, ceremonial adoption, non-adoption, and modification of practice are synthesised as follows. In FDI case study companies, implementation is called standardisation, with ceremonial adoption. In a non-FDI case study company, there is imitation, segmentation, and modification of practice synthesised into a concept of customisation. In FDI and non-FDI companies there is also evidence of past non-adoption and past customisation. Kostova's (1999) concepts of 'behaviour' and 'commitment' are similar to 'behavioural change' and 'cognitive change' concepts in Child and Markoczy's (1993) theory, used in this study to fully capture the case studies' data.

Next, a concept of reactions is briefly outlined as the basis for a variation in reactions typology in Chapter 6 (sub-section 6.1.2).

1.6.2 Reactions

Responses to practice transfer are explained in institutional approach as strategic responses (Oliver 1991), or practice adoption (Kostova and Roth 2002). Reactions to change have been studied in the M & A literature (cf. Napier 1989). Both approaches consider external pressures that are also present in post-1989 transition, but do not include the complexity of concurrent - political and economic external change, organisational internal change, and individual - managerial behavioural and cognitive change. CEE literature reports on negative attitudes and behaviours in a form of distortion or misuse, or partial acceptance (Struzycki 2001) or non-learning (Child and Markoczy (2001) and rejection of practices and values (Camiah and Hollingshead 2003) with individual high turnover and resistance (Meardi 2006). Discussion on reactions to transfer is further elaborated in Chapter 2 (section 2.2). Existing CEE literature does not specifically address reactions to change. To fill this gap and to capture the complexity of reactions, I develop a typology of reactions proposed in Chapter 6 (sub-section 6.1. 2).

Next, I show how managerial learning theory explains outcomes of behavioural or cognitive change in local managers.

1.6.3 Managerial learning

Main learning frameworks in CEE literature are as follows: - a) one-directional and modernising with 'managers have to "adapt"' approach (Kostera 1995: 675); (b) 'travels of ideas' of Czarniawska and Jorges (1996) with translated and negotiated content of transfer (vide Bedward et al. 2003: 532; Dobosz and

Jankowicz 2002); and (c) hybrid model – a result of segmentation or imitation (Fey & Denison 2003: 687; Markoczy 1993; May et al. 2005: 28-32). Some scholars apply organisational learning (Cyr and Schneider 1996), and post-acquisition learning synergy-based theory (Villinger 1996) to CEE transfer context. In the latter, learning is conceptualised as improvement, with shared learning of acquiring and acquired company (ibid.185-6). However, dependency approach shows how '…ownership of key resources drives […] control, and degree of control joins with learning and knowledge transfer to shape integration outcomes' (Danis and Parkhe 1999: 447), that suggests that a dominant partner will determine knowledge transfer and learning process and content. A trend to diffuse global best practice enables rapid learning via business schools, management literature and use of consultants (Thompson and Sederblad 1994 in Elger and Smith 1994). Training of managerial cadre in companies is a way of teaching practices in order to facilitate implementation.

'Learning' is defined in this study as managerial, as opposed to organisational learning, with managers as unit of analysis, and also, as producing 'changes in the mind-sets of senior managers' Villinger (1996: 189). I also see learning as linked to knowledge transfer and as 'one-way of flow of information and experience (ibid.199), and 'an acquisition of knowledge structure which results from problem-solving activity' (Markoczy 1993: 282). The 'managerial learning' construct is operationalised on the basis of data collected in case study companies, as training and organisational culture, and HRM practices. It has elements of behavioural change and of cognitive change, which are linked to the construct of 'local managers' values' (see Figure 1).

The 'managerial learning' construct is explored by applying Child and Markoczy's (1993) theory of host-country managerial learning. It is based on empirical evidence from interviews with foreign managers of early-phase transition in

Hungary and China. The theory identifies six types of learning in dimensions of 'cognitive' or 'behavioural change', with the former defined as 'concerned primarily with understanding the new system and how to do business within it', and the latter as 'adopting more effective practices such as accepting decision-making responsibility, communicating information, and introducing performance-related personnel practices' (ibid.626). Child and Markoczy's (1993) definition of cognitive change applies specifically to the early phase of transition. Then, economic goal of capitalist organisation was not comprehended by society. However, the later-phase context would warrant broader definitions. In order to use managerial learning theory for data analysis in this study, I use social psychology definition of behavioural change as 'the individual's tendency to act' (Hayes 1993: 92), and of cognitive change as 'concerned with the beliefs and ideas' (ibid.93), thus linking cognitive change to change in values.

Child and Markoczy's (1993) types of learning are divided into six kinds: non-learning – passivity or reluctance to engage with new concepts, forced learning – training programmes, received learning – willingly received training, integrative learning (rare) – consensus of both partners on negotiated norms, with imitation and segmentation (ibid.625-626). Imitation, described as 'behavioural and psychological conformity' (ibid.627) is linked by the authors to dependency on dominant foreign partner, and segmentation, with – 'change [perceived] as unfortunate necessity' – in ventures with dominant domestic partner (ibid.628).

In the context of this study, Child and Markoczy's (1993) concepts are utilised as follows. Behavioural change and cognitive change are defined in broad terms to follow the case studies' data. Types of learning identified in case study FDI companies are - forced learning and received learning as management training, with the former attended by managers unwillingly, and the latter – willingly. Next, non-learning means that new practices and training are received with

passivity and reluctance. Imitation in corporate culture and HRM practices means that practices and training are copied from other companies. In non-FDI companies, there is forced learning, received learning, and imitation. In addition, there is segmentation, that is – elements of practices are used selectively. Most effective form of learning – integrative learning was found between domestic partners. Applying Child and Markoczy's (1993) managerial learning theory to this study provides explanation of links between behavioural and cognitive change and emerging values, shown in data analysis in Chapter 5. Further discussion on managerial learning continues in Chapter 6. The next sub-section concerns 'Local managers' values' construct.

1.6.4   *Local managers' values*

Early-phase CEE transition literature acknowledges a role of foreign and expatriate managers as knowledge transfer facilitators in newly formed joint venture (JV) companies, called in this study - FDI companies. At later-phase transition - a context of this study - empirical evidence assesses whether local managers transfer or potentially institutionalise (Frenkel 2005) or internalise (Kostova and Roth 2002) Western HRM practices. How can local managers' variation in reactions to transfer be explained? Have local managers' values changed? Have they retained traditional, national values or have they acquired new, neo-liberal values upon which they act?

Values are conceptualised to reflect their properties, that is - values are inherited, transferred, learned, experienced, and subject to change. Although a concept of values is narrower than that of national culture, values as a construct in this study are extended by two sub-constructs: – 'external […] pressures and moderating factors' (Oliver 1992: 565), with 'national institutions beside culture' that 'assign shared meanings to events' (Tayeb 1994: 431-432), and 'historical

experience'- thus providing insights of historical and cultural factors, since 'values are viewed as a reflection of societies' culture(s)' (Woldu et al. 2006: 1077). First, 'External pressures and moderating factors' are 'post-1989 transition' - experienced on societal level, and 'pre-1989 background of transition' - experienced via national institutions. Second, 'Historical experience' with 'regional' and 'national identity' is learned via educational system and tradition. Values in the construct are divided into pre-existing, traditional values and emerging, neo-liberal values. Pre-existing, traditional values, with 'traditional', meaning - 'transmitted generationally' (Tonkinson in Ritzer 2007: 5026), are conceptualised as based on historical experience, old institutions, and reinforced by experience of post-1989 transition. Neo-liberal are emerging, learned values of market economy via media, educational system and/or management training. This research is limited to exploring managerial learning, as training and HRM practices forming neo-liberal values. This study's assumption is that in-company management training leads to development of neo-liberal values followed by cognitive change.

According to modernising approach of institutional theory, 'social traditions of cultural and historical factors give way to economic and political system' (Scott 1987 in Markoczy 1993: 285), an assumption is being made that values change in social conditions. Following this assumption, the study examines whether external pressures of transition (in Construct B, Figure 1) would affect cognitive change, leading to new, emerging values. Another variable in this study – managerial learning (Construct C in Figure 1) would facilitate forming of neo-liberal values, prior to, or following cognitive change, in a way opposite to that of historical experience (in Construct B).

Pressures and moderating factors of Oliver (1992) are conceptualised as follows. Firstly, post-1989 transition is external political pressure. Next, FDI companies – external societal pressure in a form of 'disruption to the organization's historical

continuity' by merger activities', with HRM practices - as internal functional pressures. Then, foreign, expatriate and local managers – as internal societal pressure, that is, 'new organisational members […] particularly those with different backgrounds and cultural expectations, will eventually code institutionalised norms and activities' (Oliver 1992: 563-584). Lastly, historical experience and pre-1989 background of transition are moderating factors of entropy and inertia. Inertia in organisational setting, according to Villinger (1996), is reinforced by 'high-uncertainty environment' (ibid.191) of CEE transition, not conducive to learning, as 'learning requires both change and stability' (ibid.192). In de-institutionalisation theory of Oliver (1992), 'historical experience' and 'external pressures' sub-constructs in Figure 1 reinforce traditional values (cf. Danis and Parkhe 2002).

While pressures and moderating factors are a part of de-institutionalisation process, managerial learning is a part of an opposite process of institutionalisation of Western HRM practices, supported, or not, by local managers.

Structure of the thesis

This Chapter 1 aims to provide preliminary information (sections 1 to 4), and to introduce the research question (1.5) and the theoretical framework (1.6).
In Chapter 2, the literature review engages with the concepts and the topics presented in the theoretical framework of Figure 1 (section 1.6). The concepts of transfer – process (2.1) and content (2.2), reactions (2.3), and local managers (2.4) are discussed in turn to show organisational-level transfer under internal pressures of HRM practices. In Chapter 3, the literature review addresses the concepts of external pressures (3.1), historical experience (3.2) and managers' values (3.3), thus providing deeper understanding of local managers' reactions.

Chapter 4 elaborates the study's methodology commencing with methodological approach (4.1), followed by research design (4.2), sampling (4.3), developing access (4.4), data collection methods (4.5), and ending with data analysis (4.6).

Chapter 5 reports on empirical data on 3 key variables – constructs of the theoretical framework (1.6) and answers the first part of the research question (1.5) on effects of managerial learning and values on reactions to transfer (in 1.5) in FDI and non-FDI companies (5.5). Chapter 6 presents a contribution of this study - a typology of variation in reactions (6.2). The findings of the study on themes of transfer of practices, managers' values and managerial learning are then discussed and compared with the literature. Propositions are put forward that link four managerial types with transfer outcomes in specific conditions of managerial learning and values (6.5), thus answering the second part of the research question (in 1.5). Chapter 7 concludes with a summary of a chain of evidence. The study's contribution, and limitations are stated and avenues for future research put forward.

Next, Chapter 2 is concerned with organisational level transfer, followed by Chapter 3 on societal-level external pressures.

2: De-institutionalisation of old, institutionalisation of new?

The context of this chapter is the post-1989 transition from socialist to market economy enacted on organisational level, with FDI companies and local companies as owners of former state companies and employers of local workforce, and local managers implementing Western HRM practices in case study organisations. The aim of this chapter therefore, is to review the literature from the viewpoint of organisational-level relationships, with focus on internal pressures of practices. The transfer of practices is facilitated in FDI and to a lesser extent, in non-FDI companies, with local managers learning to understand practices in order to support transfer. Pre-1989 and post-1989 systems are compared to show how organisational-level transfer of practices leads to contingencies and modifications under internal and external pressures, thus leading to con-current processes of de-institutionalisation and institutionalisation (Oliver 1992). The chapter title signals these parallel processes in which local managers support, or not, transfer. Thus, ability and willingness of local managers to transfer practices is examined.

In the present chapter, I concentrate on the themes of transfer of HRM practices in FDI companies, outcomes of reactions to practices, and local managers, explored in four sections. In the first section with three sub-sections, I review FDI companies' role first - as environment for transfer, second - as driver for technology and knowledge transfer; followed by a sub-section on banking industry as relevant to the research question. The second section concerns former personnel model, HRM practices and implementation of HRM in three sub-sections. The third section reports on outcomes of HRM practices – reactions, and explanations for reactions, as evidence of local managers' willingness, or not, to transfer practices. The fourth section aims to compare former socialist managers and contemporary local managers to assess their ability to transfer practices.

I review the topics of Western managers' perceptions, local managers' perceptions, of pre-1989 managers, and of later-phase managers in four sub-sections. The last section synthesises findings from this chapter and leads to the next Chapter 3 that considers further explanations to local managers' variation in reactions in a context of external pressures of transition and historical experience.

2.1   FDI companies as environment for transfer

A classical modernising approach sees global companies as 'modernisers' of local economies, with national economy 'outsourced' to be run by professional managers, while developing local companies and transferring technology and managerial 'know how'. A critical management approach argues that on an economic level, FDI companies gain economic and political power in host countries while pursuing their own financial interests, dominating local markets and destroying domestic companies. FDI companies use local infrastructures and avoid paying local taxes, while absorbing assets. On an organisational level, technology transfer is limited for commercial reasons, and knowledge transfer - bi-directional. Western 'hard' HRM practices exploit local labour and intensify work, while 'brain draining' local managerial talent into global networks. CEE literature follows conflicting approaches and two strands of research focus on: - a) benefits of FDI (Djarova 1999; Dijmarecsu 2001; Kennedy 2000; Lauter and Rehman 1999; Villinger 1996); and b) associated problems and threats (Dyker 1999; Eden and Lenway 2001; Krumova 2006; Matkowski 2004).

2.1.1   Economic level change

Foreign direct investment (FDI) in Eastern Europe has been keenly sought by all post-1989 national governments. On an economic level, there is a widely accepted view about positive aspects of FDI generating wealth for the host country. It

develops national economy by stimulating growth in increased export and import transactions (Kennedy 2000: 238). According to Dijmarescu (2001):

…foreign capital inflows […] supplement capital markets considerably, and, […] have a significant impact on interest rates and wages on macroeconomic levels… (ibid.17).

These benefits are mutual, and advantageous not only to the host country's economy, but also to FDI companies. Foreign-based companies benefit from access to new markets, host country resources and infrastructure, as well as local knowledge (Brouthers and Bambossy 1997: 290; Eden and Lenway 2001: 392; Krumova 2006: 23).

In a setting of globalisation processes, the positive impact of FDI on local economies has been questioned by political economists (Eden and Lenway 2001). In CEE countries, Hunya (2000) argues that national governments' dependence on foreign capital has negatively affected these countries' political and economic systems:

Reduced sovereignty of companies and national economic policies are the result of foreign penetration. An economy dominated by foreign subsidiaries is limited in its choices of development targets, in the use of profits, and in the domestic availability of some high - level jobs (ibid.88).

In Poland, FDI companies arguably improved the economy without managing to create many societal benefits for the host country. Privatisation process created dependence on foreign capital, a large part of which is speculative and short-term, (Ragowski 1999 in Borowiecki 1999: 733) for long-term economic development (Cholaj 200: 587). Foreign companies dominate Polish domestic economy at 50%, according to 2000 figures, with banking at 70%, and insurance at 50%. Describing this dependence as 'pathological', in a sense of abnormality of the outcome, FDI

companies appear to determine economic development of the host country, without participating in its structured modernisation (ibid.589; Jarczewska-Romaniuk 2004: 12).

The effect of FDI companies on domestic market has been critiqued. Workplace transformation was one of the main objectives of transition from socialist to capitalist economy, and according to one of the politicians of the day: - 'open markets drive domestic firms to rise to world levels of competitiveness' (Balcerowicz 1992 in Weinstein and Obloj 2002: 647). In practice, Kozminski (1998) reports that with the arrival of multinationals post-communist state companies collapsed, or were eliminated as potential competitors. Attracted by the prospect of opening of vast markets, FDI companies acquired former state enterprises at low prices (ibid.209). Thus:

vast number of foreign investors in the market…effectively obstructs the development of local enterprises […], also very disadvantageous for the economy (Pietkun 2006: 10).

Described as an 'unfair competition' (Kozminski 1998: 209), and a 'teacher of unethical behaviours' (Gardawski 2001 in Jarosz 2001: 125), foreign companies, that in their countries of origin follow the rules, in Poland 'innovate' and 'treat honesty as a tool' (ibid.125). Examples from interviews with local auditors include asset stripping of JV companies, invoicing for non-existent transactions to show losses and to avoid paying tax, and generally: 'very brutal methods of transferring profits abroad, as well as 'subtle methods of eliminating local competition' (ibid.122). Local businesses maintain that they are unable to compete with vast resources and expertise of FDI companies (ibid.125). In parallel, within transition economies worldwide, Eden and Lenway (2001) find that the activities of foreign enterprises have their 'dark side', such as money laundering, corruption, tax evasion and pollution (ibid.397). Foreign companies in Western Europe, according

to Almond et al. (2005), 'operate on the limits of the law' because of '…malleability of host country system under pressure from MNCs' (ibid.303). Thus, economic level change created by FDI companies would shape societal perceptions of negative effect of foreign capital on local economy.

2.1.2   Organisational level transfer

According to modernising approach, foreign investment companies facilitate technological upgrade in a form of 'hard' knowledge transfer (Schulz 2003: 444). Moreover, transfer of other knowledge basis is effected: - 'soft' knowledge, such as business concepts, managerial practices, workforce skills (Dobosz and Jankowicz 2002: 355; Lauter and Rehman 1999: 39), HRM practices embedded in Western business models (Hurt and Hurt 2005: 39), as well as the specific areas of business, like marketing, sales, strategic management.

Pre-1989, technology transfer was noted by Frank (1978), as one of the reasons for development, or persistence of under-development in some countries. Using dependency approach, Frank predicted failure in developing competitive domestic industries in socialist Eastern Europe:

It still remains to be seen whether the economies of Eastern Europe can achieve take-off and sustained growth with this [technological] lag, and the evidence is rapidly accumulating against them   (ibid.121).

Post-1989, transfer of technology in CEE countries is found to be ineffective (Radosevic 1999), or controlling-partner dependent, owing to commercial factors (Danis and Parkhe 1999), or absent (Dyker 1999), with R&D, facilities located in home country (Krumova 2006). In Russia, Radosevic (1999) examines the reasons for lack of success of knowledge transfer process in technology upgrade. He finds

that 'shallow integration' is not effective in technology transfer, and 'deep integration', is needed for developments in upgrading of local technologies (ibid. in Dyker 1999: 349). In Hungary, another approach links controlling-partner-dependent technology transfer to commercial factors. According to Danis and Parkhe (1999): - '...ownership of key resources drives ICV control, and degree of control joins with learning and knowledge transfer to shape integration outcomes' (ibid.447). Technology transfer limited by a controlling-partner will not be sufficient to create a target outcome of competitive domestic industries. In the future, Dyker (1999) believes, the '...enterprises in CEE countries will eventually be forced to generate technical change endogenously' (ibid. 349).

An idea of knowledge transfer in conceptualised in the literature on MNCs (multinationals) and M & A (mergers and acquisitions) in a variety of ways. The globalisation approach of Bartlett and Ghoshal (1995) is a one-way transfer of Anglo-Saxon model (Geppert and Williams 2006: 53), in line with modernising, or a post-war diffusion of American 'best practice'. The term 'diffusion of practice' (Edwards 1998) suggests a one-way transfer, in a sense of learning between societies with some diffusion of technology, and labour and management processes (Elger and Smith 1994 in Elger and Smith 1994). In studies on transfer of Japanese ideas into manufacturing in Europe researchers note that ideas are borrowed, or 'selectively deployed' and 'selectively adapted', (ibid.), thus knowledge transfer becomes practice adaptation to local conditions.

Some researchers see transfer as interaction between parent-country and host-country (Ferner and Quintanilla 2001: 107), thus acknowledging that adoption by receiving party is a part of transfer. In line with this approach, transfer might be understood as tension between implementation and adoption (Kostova and Roth 2002). In effect, subsidiaries vary in adoption response (Oliver 1991), as some concepts may not be transferable for lack of supporting conditions (ibid.120). To

facilitate transfer, concepts might have to be translated into a new context in 'travels of ideas' (Czarniawska and Jorges 1996). Efficiency ideas of industrialisation and modernisation travel if they share the same economic system and are culture free, according to Rose (1985 in Elger and Smith 1994). Post-1989 economic transition in CEE countries has taken place in conditions of economic system change and societal transformation (cf. Stiglitz 1999). Moreover, transfer participants, that is, managers might 'be able to negotiate' (Ferner and Quintanilla 2001: 120), or to 'decide to influence, resist or shape' transferred concepts or practices (Geppert and Williams 2006). Thus, knowledge transfer becomes 'knowledge creation' (Dobosz and Jankowicz 2002), or a 'hybrid' system (Markoczy 1993). In this study, there is empirical evidence for the concept of knowledge transfer as tension between implementation and adoption with local managers negotiating and shaping practices as shown in Chapter 5.

Another approach in knowledge transfer literature sees transfer as bi- directional. Defined as 'reverse knowledge flows', these appear to be intangible and: - 'bringing to host countries their own nationally distinctive ways, and taking from the host environment lessons for adoption at home' (Ferner and Quintanilla 2001: 114). In Edward's (1998) concept of knowledge transfer as diffusion, reverse transfer becomes 'reverse diffusion' in home country. Thus, knowledge transfer flows in both directions between home country of multinationals and host countries (Dobosz and Jankowicz 2002). Knowledge transfer concept is also discussed in sub-section 2.2.3.

Organisational level transfer might be viewed through the lens of change theories. In M & A literature, change is captured as synergy of systems (Thompson et al. 1992) to be achieved by two merged companies – a concept relevant to a CEE JV (joint venture) firm. The authors explain why 'certain processes and structures remained as they were pre-acquisition' and argue that change is 'uneven, partial

and piecemeal' with evidence for 'continuity as well as change' (ibid.288). In support of this view, Greenwood and Hinings (1988) argue that change needs an element of stability, thus includes inertia and reversals. In high uncertainty environment, finds Villinger (1996), change is not accompanied by learning, as learning requires both change and stability. This study does not focus on change, but utilises aspects of change to aid interpretations.

To sum up, FDI companies as environment of transfer appear to be bi-directional on economic and organisational levels, commercial interests-controlled in technology transfer, and bi-directional in knowledge transfer. Next, financial sector industry in Poland is described to show its adaptation to inter-bank standards. It is followed by a section on HRM practices.

2.1.3 *Financial services industry*

Banking in Poland had undergone a major transformation from a mono-bank, via a state-owned banking network, to a mostly foreign-owned participant in a global banking system, as shown in Vignette 1. To facilitate this inclusion, there has been a modernisation of technology, systems, processes and working practices, with banks leading in innovation and change. The banking industry is characterised by increasingly automated, high-volume transaction processing. In this respect, it is similar to mass manufacturing with principles of operational efficiency. The case companies in this study follow operational efficiency model, but not sophisticated financial instruments for the reason of national regulatory supervision. Presently, financial services are a part of inter-bank network and provide a wide range of lending and investment products.

The banking industry in Europe with its progressing euro-zone integration demands new strategic solutions socially acceptable to stakeholders, according to

van Koppen (1999) in his *Strategy of Banks in Europe*. Transfer of integrated practices across many different cultures is acknowledged by the author to be problematic. It is termed a 'cultural risk' because of lack of commonly agreed and accepted organisational culture norms (ibid.189). The concept of integrated management – TQM, focuses on client satisfaction, internal processes, 'bottom-up' quality improvement and management of behaviours (ibid.178). Management of behaviour with a target of homogenous behaviour needs to be analysed for effect of transfer of integrated practices on national identity of employees (ibid.189). To manage cultural risk, the author argues, 'surface values' of Schein (1985) should be disregarded, and shared values promoted. An example of shared values are core values of ABN Amro - integrity, teamwork, respect for others, and professionalism (interview with Jan Kalff in Euromoney October 1997 in van Koppen 1999: 238). Thus, employee behaviours in multinational European banks are shown to be resistant to transfer of integrated practices. To what extent HRM practices transgress beyond the area of shared values is uncertain. Perhaps the answer lies in overuse of HRM practices, because of lack of cultural fit, or their effect on national identity of employees. In this study, there is reported evidence for employee resistance to practices, but the focus is on managers' reactions. This study attempts to engage a concept of national identity as explanation for reactions in Chapter 3.

The vignette below describes a development of the banking sector in Poland that is relevant as representing this study's case companies examined in Chapter 5.

Vignette 1 – Background to case studies: the banking industry

The socialist banking system in Poland was limited to a few specialist banks managed by the National Central Bank. The specialist banks were - Bank Handlowy for foreign corporate transaction, and Pekao SA for individual foreign currency accounts. Another bank – PKO, handled retail banking offering mainly savings account facility. A network of farmers' co-operative banks supplied credit lines to SMEs. In 1988 and prior to privatisation, these banks were renamed and restructured into 9 regional banks with a purpose of commercialising their activities and providing a range of corporate and customer banking products.

The 1989 transformation intervened in this project, and at the very outset the political and economic factors became a barrier to its success. The new legislation relaxed banking laws by allowing individuals and enterprises with a capital sum of zl 60,000 (app. £100,000) to set up a bank. The level of inflation at that time reached 600% and the level of debt of the state and the newly - established private banks - 40%. Lacking the adequate capital, trained staff and the 'know-how', the former state banks and newly-established banks were unable to modernise facilities and products like automated cash dispensers and credit cards. Recommended privatisation strategies were devised by the World Bank and the IMF and financed by a special international fund of US$ 500 mln. For large banks, it was a local stock market floatation. For smaller banks, consolidation was a preferred strategy. The government of the day had been implementing both strategies to save the banks from bankruptcy. However, with smaller banks consolidation strategy was not effective. Between 1990 and 1994, 95 small cooperatives collapsed, as the government was unable to provide a rescue package. The attempts to find foreign investors were unsuccessful until 1994.

The first foreign investor - a Dutch bank ING, bought a 25% share in Bank Slaski. At a later stage, two state banks specialising in foreign currency transactions were sold by the government: Bank Handlowy to Citibank and Pekao SA to UniCredito. The banking sector in Poland is owned in 70% by eight FDIs - Italian, Austrian, Dutch, American, German, Irish, Belgium and Portuguese investors. The high participation of FDIs in the banking sector has evolved gradually: ' [it]…became a sort of a drip for the state budget. The politicians, in order to repair it, were selling big state banks in small chunks'. In comparison, the share of foreign capital in banking in Hungary is 82%, in Slovakia 87%, and in the Czech Republic 96%.

The six remaining Polish banks and the network of farmers' cooperative banks are not able to match the latest IT technology and modern facilities of the FDIs. Unintended outcome of privatised banking sector in Poland are the highest individual banking charges in Europe, and the second highest in the world (Capgemini 2005 survey). More importantly, the government seems unable to act independently and in the national interest. A recent example is a 2006 attempted merger of two biggest FDI banks in Poland, which involved interventions from three national governments, and the EU.

Source: adapted from Solska, J. "Bank robbery" (in Polish) in Polityka 2006, nr.12; Stasiak, P. "Our expensive banks" (in Polish) in Polityka 2006 nr. 5.

2.2   HRM practices in CEE organisations

Early-phase approach to HRM practices was of modernising, with competing

negotiated approach emerging in later-phase studies and in Polish-language

literature. Thus, new practices were introduced by new owners of former state

companies – FDI companies, together with downsizing, and implemented by

consultants, and foreign and expatriate managers. Former personnel practices

survived in newly -privatised state companies with non-foreign equity – non-FDI

companies, with former socialist managers as new owners, with modified Western

HRM practices introduced selectively by local managers. Comparing former personnel model and HRM, I relate the former to pre-1989 personnel system of socialist ideology of a collective, equity, fairness, co-operation, social responsibility, and many objectives besides competition and profit maximisation, while the latter offers efficiency and individual achievement. Early-phase studies were of exploratory nature and investigated pre-1989 personnel model (Pearce 1991; Todeva 1999), with later-stage studies following developments in implementing Western HRM practices and reporting outcomes of negative attitudes of employees (Jankowicz 1998; Szalkowski and Jankowicz 1999; Zupan and Kase 2005). A potential emergence of CEE country-specific model of HRM, or, alternatively, of many forms of HRM has been a topic of wider discussion (Cyr and Schneider 1996; Hetrick 2002; Tung and Havlovic 1993; Weinstein and Obloj 2002). The HRM practice of downsizing applied by local managers in an innovative way can distort its aim and outcome, as shown by Redman and Keithley (1998) with evidence from Poland.

2.2.1   *Former personnel model*

Commencing with a socialist personnel model, exploratory studies focused on investigating pre-1989 system, in order to facilitate effective training of local, well educated, technically skilled and low-cost workforce. More importantly, the main aim was to improve productivity, which, in 1989, was half of that in Western Europe (Djarova 1999). Writing about pre-1989 personnel management in Poland, the researchers (Hegewisch et al. 1996; Hetrick 2002; Weinstein and Obloj 2001) find that it was in line with post-war welfare model, objective of which was to fulfil many social functions on behalf of national governments. This model, present in all CEE countries, was also evident in post-war Europe. According to Luttwak (1998: 28):

In Western Europe…post-1945 […] with its strong guilt tradition, where democratic socialism […] focused directly on the welfare of employees […]'welfare state' programs assisted all citizens […] the generosity of these programmes varied from country to country.

Thus, in all CEE countries provision of housing, health, entertainment, recreation, vocational training, etc., at subsidised prices (Kolankiewicz 1996: 432; Soulsby and Clark 1995: 99), was a norm in every workplace. The welfare provision in enterprises for their employees had its negative side - it eliminated the mobility of labour and created a paternalistic type of dependence of employee on employer (Filatotchev et al. 2000: 485; Luttwak 1998: 176; Michailova 2000). Employees relied on their employer on work, housing, healthcare provision and childcare, thus creating a mutual relationship of responsibility for employee welfare on the part of an employer, and of loyalty on the part of an employee. A 'dark side' of personnel function in former Czechoslovakia was management of confidential employee information for the purpose of ideological monitoring and control (Soulsby and Clark 1998: 84). Management training, immersed in Marxist epistemology, included many areas of business relevant to socialist economic model and focused on business administration (Woodall 1994 in Kirkbride 1994: 176).

Large, centre-led, pre-1989 enterprises followed Taylorist management (ibid.175), with 'considerable task specialisation' (Whitley and Czaban 1998: 101), which was well suited to the needs of national economies of Eastern Europe. It lacked 'a disciplined, measurement based approach to workforce management' (Nalbatian and Szostak 2004: 117) of post-1980 economic perspective of HRM (Gannon et al. 1999: 41). The aim of a socialist personnel model was that of full employment with productivity and efficiency applied if and when required. 'Laissez-faire' management style of non-interference (Obloj and Kostera 1994 in Kostera 1996:

153) reflected behavioural perspective of employee management and lack of involvement of line managers.

In new post-1989 non-FDI organisations, personnel systems are a compromise between former personnel practices, trade unions' participation and implementation of HRM in its early stages (Tuszynska 2003 in Kozek 2003: 145). Former personnel practices include welfare provisions - private healthcare, subsidised or free entertainment and recreation and company pension. Privatised with insider control, non-FDI companies show slow degree of change. Private domestic firms – that is, small and medium-size enterprises (SMEs), are regarded as hostile environments for local employees, with their low work ethics, weak motivational systems, and poor career prospects (Jakubow 1999 in Borowiecki 1999: 697) and as a result:

threatened with downsizing, employees refrain from making demands, but at the same time take passive attitudes (ibid.698).

FDI companies, considered 'employer of choice' (ibid.697) implement Western HRM practices 'in permissive environments of host country' (Marginson and Meardi 2006: 104), create learning environment of global skills for local managers, as shown in sub-section 2.4.4.

2.2.2 New HRM practices in FDI companies

In FDI companies, labour cost advantage has been reported as a primary factor in making overseas investment decisions in CEE countries. According to ERBD report of 1997: 'salaries of skilled workers in export investments are at 16 percent of their Western (parent company) level' (Djarova 1999: 16). Labour cost gains are offset by lower productivity that prevails in CEE countries. Productivity and

efficiency levels can be increased by introducing new working practices including HRM practices (ibid.15).

In the early-phase of transition, instability of environment enabled foreign investors to impose their own terms, as: - 'weakness of local institutional arrangements facilitates transferability of home country practices' (Muller 1998 in Liberman and Torbiorn 2000: 47). Major shareholders had control over human resource function, which was negotiated during the sale of state enterprises, along with equity interest, board membership, product, pricing and access to markets (Brouthers and Bamossy 1997: 240). In joint ventures, FDI companies implement an 'incremental takeover' strategy gradually increasing their share participation and control to facilitate integration (Krumova 2006). In mergers and acquisitions, or 'greenfield' sites, 'the use of integrative mechanisms is stronger, with lower tolerance for national diversity' (Villinger 1996: 184). Thus, transfer of work practices in new FDI companies in Poland follows standard business practice of multinationals (Bartlett and Ghoshal 1995; Thompson et al. 1992: 289), which implant systems of the parent company into the acquired company to achieve synergy.

A wide range of HRM practices are reported in FDI companies. In Czech Republic, Pollert and Hradecka (1994: 59) note individual employment contracts replacing formerly centrally set wage. In Poland, Tung and Havlovic (1996: 10-15) find many initiatives, namely: - performance pay, non-monetary rewards like private medical care, mobile telephone, car. The use of sophisticated recruitment and selection methods in Russia is noted by Kiriazov et al. (2000: 39); as well as assessment centres for recruitment and selection, and performance appraisal in Poland by Weinstein and Obloj (2002: 645). In non-FDI companies in Czech Republic, Soulsby and Clark (1998) notice that senior managers use Western HRM practices selectively to legitimise and to strengthen their position (ibid.91-

93). Training courses for management skills and foreign language courses are reported to be present in all CEE enterprises, as well as on-the-job training for non-managerial employees (Dobosz and Jankowicz 2002: 363). In Poland, flexibility and control characterises work systems with individual work contracts, training for company needs, and pay for performance with non-financial rewards (Czupial 2000: 29). In addition, 'performance assessment [...] quantitative individualised and had a formal impact on compensation' (Liberman and Torbiorn 2000: 47). Employment of key employees is based on competencies, and of peripheral employees on short-term contracts (Ostrowski 2003 in Kozek 2003: 109-110). Thus, the aim of HRM practices appears to be of efficiency and cost-effectiveness.

HRM practices were associated with downsizing in the post-1989 labour-shedding process. In Poland, Redman and Keithley (1998) noted how a 'humanistic' model of workforce reduction applied creatively by local managers produced outcome of spending company profits to create more jobs. Another outcome was a feeling of employee apprehension towards new practices: 'despite the fear of unemployment and tighter discipline [...] 'indifference to many managerial initiatives was still very problematical' (ibid.287). In Hungary and East Germany, downsizing policies delivered short-term productivity improvement (Meyer and Lieb-Doczy 2003) with side effects of stifling innovation and inhibiting further growth (ibid.475). In Russia, Filatotchev et al. (2000) found that 'managers [...] prefer to send employees on holidays or unpaid leave to making them redundant' (ibid.298), thus modifying downsizing practice.

Managerial learning

Training for middle and senior managers, initiated and financed by the IMF and the World Bank, had an objective of aligning CEE workforce with the demands of

market economy. Studies on multinational companies' post-acquisition behaviour (Thompson et al. 1992), confirm that training of local managers is crucial in facilitating organisational change and 'is a valuable tool for the development of new attitudes and skills' (Cyr and Schneider 1996: 211) in order to acquire global, that is, 'cross-cultural competencies' (Graf 2004: 1149). Little research is available on effectiveness of CEE training programmes. Initially, training programmes were found to be ineffective in creating change for reasons of lack of adaptation to cultural preferences (Fey and Denison 2003: 687; May et al. 2005: 28-32; Villinger 1996: 203); and inability of local managers to reach a stage of 'institutionalisation' (Bedward at al 2003: 531-533) or 'internalisation' (Kostova and Roth 2002) of Western management concepts. In early-phase transition, local managers, characterised by a socialist mindset, that is, tendency towards ideology of socialism, were in many cases a temporary solution (Soulsby 2001: 60). A topic of socialist managerial qualities is reviewed in section 2.4 of this chapter. Further discussion on managerial learning or training as a concept used in this study is detailed in Chapter 1 (section 1.6.4).

New HRM practices implemented in FDI and non-FDI companies produced outcomes in a form of reactions of local employees, discussed in the next section. Implementation models of HRM practices, initially 'one-way' evolved into more complex, modified forms, as shown next.

2.2.3 Implementation models

Integration approaches dominated in joint venture (JV) and FDI companies in early-phase transition, in line with globalisation approach of Bartlett and Ghoshal (1995) of convergence of Anglo-Saxon model (Geppert and Williams 2006: 53). Integration facilitates change in acquired company by implanting new management and training host country workforce (Thompson et al. 1992: 289).

Bartlett and Ghoshal (1995) call this approach '3 stage country management evolution' (ibid.536). Initially, at the entrepreneurial stage, foreign managers are employed to set up new systems and processes. At the next stage, expatriate managers are implementers of management systems while host country management is being developed (Ferner and Quintanilla 2001: 114). Lastly, a local professional management cadre is built for long-term. In Poland, French 'greenfield' entry investors had a 'heavy-handed', McGregor's (1960) 'theory X' approach (Hurt and Hurt 2005: 47). In Hungary, US investors used a 'dogmatic, evangelical' US model (Danis and Parkhe 1999: 444), which was viewed by local employees with distrust. Integration model can also develop as a result of dependency. In a study from Hungary, Danis and Parkhe (2002) linking control and learning theories, find that in JV format the 'less learned' partner eventually loses control. The added factor is 'inability of Hungarian partners to match the resource contribution of the Western partners'. Thus, learning and financial dependency result in the outcome of: 'one-way integration model, and not a reciprocal one, implemented' (ibid.444).

Contingent implementation approaches characterise later-phase transition, and literature shows implementation models being developed to match contextual factors such as the labour market, demands of production, and competition. In Poland, Kahancova and van der Meer (2006) find 'decentralisation of MNC practices and adaptation to local conditions through value sharing' (ibid.1391). For managers and knowledge workers global practices are applied. For non-managerial workers, a contingency-style implementation of company business model is negotiated between trade unions and local managers with flexibility of labour, that is, matching local workforce to demands of seasonal production. Another study (Hurt and Hurt 2005) reports three different models of implementation of work practices over 10 years in a French multinational's 'greenfield entry' in Poland. Initially, implementation of 'theory X' was replaced by

a 'shared space' approach, as more multinationals entered the market and the demand for skilled labour increased. As the market shrank and unemployment deepened, the approach changed to that of integration into the multinational's global business model. Contingency in use of practices, however, may not be a desired outcome for FDI companies. Contingency theory implies 'accommodating organization design to the exigencies of situational constraints' (Greenwood and Hinings1988: 311), thus appears not to transfer practices.

Modified HRM practices come as the result of local managers' interventions and resistance from local employees, and can lead to non-adoption of practice (Kostova and Roth 2002), that is – abandonment of practice. Some examples follow. In Poland, global HRM practices become modified by local managers in Hetrick's (2002) study of ten MNCs (multinationals), as a result of pressures from employees (ibid.344-348). Practices are adapted: 'facilitating integration of local workforce into global culture (ibid.333), 'allowing for local legislative limitations' (ibid.348), and 'national cultural preferences' (ibid.345). In Hungary, Markoczy (1993) finds that instead of transfer of practices and double learning, 'hybrid' model is being created, due to 'resistance from the Hungarian side', but also to 'new paternalism of foreign managers' which is 'related to lack of long-term commitment' (ibid.301-302). In Russia and Estonia, Suutari (1998) reports that expatriate managers 'met with pressures to change their own thinking and behaviour' and had to adopt host country authoritarian leadership style in order to achieve business objectives (ibid.253), thus showing high-level modification of Western practices. Also in Russia, inability to commit local managers to reforms (Filatotchev et al. 1999: 483) led to insider control strategy, where 'managers are hostile towards outside ownership […] and effectively collude with other employees to preserve insider control', thus non-adoption of practice signifies that former practices are retained.

I identify the concern with a 'hybrid' model as based on the notion of 'hybridity' being generic and mutant, thus not 'full-strength' and unlikely to produce desired outcomes. On the one hand, definitions of 'hybridity' in the context of transferred practice imply distortion of practice or deviation from original practice. In sociology, 'hybridity' is 'the emergence of a culture, in which elements are being continually transformed […] offers the potential to undermine existing forms of cultural authority and representation' (Scott and Marshall 2003: 285). In postcolonial theory, it is 'strategy of resistance' and […] 'cultural translation' […] that produces distortions of […] original message' (Colignon 2004: 703). On the other hand, in culture-based approach of Graf (2004) - 'global competency' area that includes HRM practices and training while maintaining a company business model has parallel existence to national culture area (ibid.1142). Graf's theory aims to reduce the failure rate of joint ventures in Western Europe, and is likely to be effective in CEE organisations. Also, the concept of adapted or modified practices implies transfer with consent of participants. Thus, I concur with negotiated approach (Geppert and Williams 2006), or 'hybridity' (Markoczy 1993), or parallel systems (Graf 2004) in organisations, particularly in environment of CEE transition, as complexity and instability of new structures makes adaptability and flexibility of emerging models effective. In the next section, I show that distorted practices are also likely to cause an outcome of reactions.

The next section reflects on homogeneity in reactions to practices reported in the literature, which suggests unwillingness of local managers to transfer. I draw on significance of outcomes of reactions to practices as leading to contingent or customised implementation of Western HRM practices. I tentatively suggest that early-phase literature reactions were caused by external pressures of the environment, unlike later-phase reactions - internal organisational-level pressures. I focus on the former in Chapter 3, and the latter are discussed in the next section.

2.3   Outcomes of reactions

The reasons for applying Western HRM practices are not fully understood by receivers of the practices, i.e., local employees. In organisational environment of previously socialist workplace 'professional control systems […] associated with capitalist modes of production, and of central role assigned to efficiency and profitability' (Frenkel 2005: 146) are an alien and even a hostile idea. In Western HRM literature, the link between employee performance and HRM practices is widely debated (Huselid and Becker 1996; Pfeffer 1998). In CEE literature Western HRM, practices are functional internal pressures (Oliver 1992), aims of which is control (Hetrick 2002), and transfer of global practices of multinational company (Bartlett and Ghoshal 1995). However, since 1989, HRM practices have produced local employee reactions. In critical management approach, HRM practices have the hidden aim of work intensification and labour exploitation (Martin 2006; Meardi 2006; McCann and Schwartz 2006). Perceptions of HRM as intensification of work, and social dysfunction of downsizing experienced during transition, might supply explanations to negative reactions on ideological and societal grounds.

Reactions to change are explained by organisational change approach. Researchers show that change is accompanied by participants' 'conflicting interests, alignments and negotiations' (Buchanan and Dawson 2007: 674), where 'managers' responses are linked to career opportunities' (Watson 1982: 271), because 'change in circumstances [...] led people to reassess their relative positions, and change their behaviours' (Spedale et al. 2007: 1183). Resistance or receptivity to change depends on whether self-interest is threatened (Clarke et al. 1996: 30 in Armenakis and Bedeian 1999: 304). Another outcome of organisational change is that employee loyalty shifts from companies to professions (Kanter 1991 in ibid). Reactions to change are also noted in M &A literature (cf. Napier 1989).

According to the author, reactions in target firm measured by turnover, absenteeism, performance and satisfaction remain negative for 1 year after the merger with employees viewing merger with 'a sense of loss, [...] of control over one's career, autonomy and organisational identity, unproductive work time, greater turnover and absenteeism' (ibid.284). In this study, I do not focus specifically on reactions to change, as in the CEE context organisational change is conducted in parallel to changes in political and economic systems, with resulting societal change. For this reason, aspects of change form a part of managerial learning concept in the theoretical framework detailed in Chapter 1.

2.3.1   Reactions

Early-phase transition literature reflects negative attitudes that range from passivity (Kiriazov et al. 2000: Pollert and Hradecka 1994) to indifference and resistance of local managers (Hurt and Hurt 2005; Michailova 2000: 105; Pearce 1991: 81), as well as of workers (Pollert and Hradecka 1994: 60). These behaviours demonstrated distrust towards foreign managers (Wright 1998 in Kiriazov et al. 2000: 43), as local employees were 'reluctant to place high levels of trust in Western controlled organisations' (Camiah and Hollinshead 2003: 264) suspected of seeking short-term gains (Markoczy 1993: 301) and displaying signs of management opportunism (Pollert and Hradecka 1994: 60). Expatriate managers were regarded as '"hatchet men" who [...] complete unpopular implementation of the parent's corporate culture' (Danis and Parkhe 2002: 445). Negative attitudes were also demonstrated towards foreign owners (Kiriazov et al .2000; Markoczy 1993; Pearce 1991; Pollert and Hradecka 1994), who wanted 'quick results' (Kostera and Wicha 1996: 102), and were mainly interested in 'easy money' (Suutari 1998: 253). Negative attitudes were also extended to 'reformers' that is - management trainers and management consultants who implemented new practices in organisations (Kostera 1995: 693), the relevance of which was

generally questioned (Suutari 1998: 253). Attitudes, grouped into three areas of resistance, distortion of original concept, and partial acceptance (Struzycki 2001: 228) are summed up thus: - 'there are no standard areas of resistance or standard ways of combating them'. Thus, early-phase reactions are homogenously negative and directed at external pressures of transition (Cyr and Schneider 1996; Pollert and Hradecka 1994), and at internal pressures of organisational transformation.

Later-phase transition literature provides examples of negative attitudes enacted in organisations. In Slovenia, attitudes to HRM practices vary – 'from uncritical acceptance - to misuse by management and strong resistance from subordinates' (Taylor and Walley 2002 in Zupan and Kase 2005: 886). In Poland, Hardy et al. (2005) report a high turnover rate among the ABB's managerial staff in response to HRM practices, which brought 'high intensification of work' and 'much higher level of accountability and monitoring' (ibid.290). In Hungary, 'persistence of an egalitarian socialist workplace model with its established pattern of limited supervisory control and high work autonomy made HRM practices with a higher managerial control content ineffective' (Whitley and Czaban 1998: 112). With the reduced role of trade unions in employment relations: 'Resistance does not take the organized form of collective dispute, but the atomized one of high turn-over' (Meardi 2006: 1372). Thus, later-phase reactions, expressed as turnover appear to be directed at internal pressures of HRM practices.

2.3.2   Explanations for reactions

In institutional framework, transfer failures are explained by lack of attention given to social factors. In the case of CEE countries, explanations for negative attitudes to practices could be sought in internal and external pressures (Oliver 1992) of transition, also in policies and practices of FDI companies (Meardi 2006), which are distortion of original concepts (Fryzel 1999 in Wawak 1999: 355), and

create negative trends a workplace (Gietka 1990). As the result of external pressures of investors: the FDI companies, the EU, the Word Bank, the IMF and the national governments, and in conditions of dependency, local managers' reactions could be considered to be coping strategies. Thus, 'soviet-type […] behaviours, in a sense of – 'defensive response to the reforms' (McCann and Schwartz 2006: 1341), would produce contingency in use of Western HRM practices, or customised HRM practices. The overall effect of these behaviours Lang and Steger (2002) see as:

patterns of the old culture […] continue to work under the surface structure and may rebuild the Western concepts, instruments and practices according to local conditions (ibid.280).

Policies and practices in FDI companies, according to Meardi (2006), are focused on 'efficiency-seeking' with emphasis on productivity, flexibility and low wages (ibid.100) with 'low road' employment practices (McCann and Schwartz 2006: 1349), that become internal pressures (Oliver 1992). HRM practices in FDI companies are distorted, according to Fryzel (1999 in Wawak 1999) in *Contemporary labour market - negative tendencies in managing human resources in multinational companies*, strategic HRM is a 'dangerous tendency' that moved from 'utilising individual skills and qualifications' to 'forming a monolithic group of specific skills required by an employer and eliminating individual attributes' (ibid.353). Features include: – recruitment based on organisational fit, and not on knowledge or qualification; categorising people by profiles; and rotation of management teams. Fryzel argues that the uniformity of skills leads to dehumanisation and depersonalisation of work, with employee degraded to cost factor (Jakubow 1999 in Borowiecki 1999: 695), while creating organisational climate of hierarchies and authoritarianism. In consequence, the employees will lack motivation and identification with the company. Formerly loyal professionals

will turn into 'aggressive sharks' of the labour market, focused only on 'monetary benefits'' (Fryzel 1999 in Wawak 1999: 353).

Other distortions of original ideas of HRM are evident in FDI and non-FDI companies. Some examples follow. Preference for younger workers (Hardy et al. 2005: 29; Pavlica and Thorpe 1998; Todeva 1999), originally devised to eliminate barrier of a 'socialist mindset' (Soulsby 2001: 60), became universal practice in conditions of high unemployment: - 'We have such obsession with youth, that in order to guess the applicant's age we walk him up the stairs' (Gietka 2006: 90). The rationale behind a younger-worker-preference policy is explained by an FDI company recruiter thus:

We want to employ young people, preferably students, because we treat them as a blank sheet of paper to be written on, as a material that we can shape to our requirements. We want uniformity in employees, this way we can preserve uniformity in company culture (Fryzel 1999 in Wawak 1999: 354).

Adverse publicity exposes exploitative practices (Marginson and Meardi 2006; Martin 2006; Meardi 2003; Ost 2003 in Kozek 2003; Ostrowski 2003 in Kozek 2003), which appear to be extreme examples of contingency in HRM practices and workplace flexibility. Hypermarkets in Poland are described as: 'nightmare of employment relations '(Ost 2003 in Kozek 2003: 134) and 'work camp' (Ostrowski 2003 in Borowiecki 2003: 64) with 22 hour shifts, one 15 minutes break during shift, unpaid overtime with no prior consultation, an immediate dismissal if employee is deemed unsatisfactory by unethical managers (ibid.). Workplace bullying (Stelmach 2005: 181) is peer pressure of teamwork in production teams. In effect, in Poland, HRM practices follow US management literature with 'power of managers' (Martin 2006: 1357), and priority given to shareholders' interests and short-term profits, and disregard for societal factor (Jakubow 1999 in Borowiecki 1999: 696). Some scholars (Kahancova and van der Meer 2006: 1390) predict that

current migration from CEE countries by reducing pool of workforce might reverse these trends.

In the light of managerial learning theory in the literature, Villinger (1996) argues that uncertainty is accompanied by unlearning, thus explaining non-adoption of practices. In organisational change approach, self-interest (Clarke et al. 1996 in Armenakis and Bedeian 1999), or perceived career opportunities (Watson 1982) determine responses to change, thus providing alternative explanations for reactions.

To sum up, outcomes of reactions have been evident in early-phase and later-phase literature. The former has been shown as linked to external pressures of transition, with the latter linked to internal pressures of workplace practices. Both the content and the process of HRM practices produce reactions. Examined in the light of institutional theory, local managers' reactions appear to be coping strategies that lead to contingency in practices and customised practices. Contingency in HRM practices implies lack of transfer, but customised practices imply practices adapted to local context, thus partly accepted, and to some extent - effective. This study offers an alternative interpretation of reactions by combining institutional and managerial learning approaches and proposing a typology of variation in reactions elaborated in Chapter 6 (sub-section 6.1.2).

The next section deals with the following topics in four sub-sections. First – how Western managers perceived local managers, second - how local managers perceived Westerners. Third, I draw on pre-1989 managers to show differences in conceptualising manager's role. Lastly, I assess qualities of contemporary local managers in FDI and non-FDI companies, and their ability to transfer Western practices. The significance of local managers working for non-FDI companies is

that as ex-FDI managers they are expected to diffuse knowledge from FDI to non-FDI companies.

2.4   Managers as facilitators of transfer

The key assumption of transfer is that change is being driven by outsiders (Filatotchev 1999: 485). In early-phase transition, foreign investors and their representatives were outsiders and 'agents of change'. Managerial qualities from pre-1989 period were initially assessed as not suited to market economy. I use the term 'managerial qualities' in a sense of attributes of managers, and their behavioural norms. Norms, according to Parsons (1961: 42 in Mennell 1974: 124), relate to a role of manager: 'norms define the rights and obligations applicable to one role but not to another'. In Parsons' hierarchy of values theory, norms are followed by values on next level, and these are 'shared by the members over and above their particular roles', and next, by core values of society, that is – a central value system (ibid.125). Discussion on values continues in Chapter 3 (section 3.3) and looks for further explanations for managers' reactions in their values. In this section, the topic of managers in literature is examined and includes local managers' values (Pavlica and Thorpe 1998; Todeva 1999), socialist manager types (Kostera 1996), the role of foreign 'agents of change' (Kostera 1996; Kozminski 1998) in shaping of a new type of manager (Kozminski 1998); and emergence of a managerial cadre that achieves success in international business (Olechowski 2006; Walewska 2006).

2.4.1   Western managers' perceptions

Early-phase literature reports on ideological legacy of former socialist system as relevant to managerial qualities. Commencing with social status of manager, status was not high, and meant an administrative role, rather than professional

occupation (Lukaszewicz and Sicinski 1999 in Kostera 1996: 74; Puffer 1994: 46 in Suutari 1998: 236). In Hungary, Whitley and Czaban (1998: 102) state that the role of managers was that of 'trouble-shooters' and 'progress-chasers'. Egalitarian supervisor-subordinate relationships in Hungary were described as follows:

supervisors and middle managers were […] not strongly distinguished from their subordinates, nor were skilled workers treated significantly differently from unskilled and semi-skilled ones (ibid.101).

In Czech Republic, Pavlica and Thorpe (1998) note that the word manager does not carry high social status, nor does it describe the same type of activities (ibid.140) and in Germany Schneider (2002: 107), finds a similar disparity (ibid. 140). Local managers were found to lack market economy skills (Peng and Heath 1996: 509), with no understanding of principles of capitalism. These are illustrated by behaviours of: - 'financial performance of company not a priority' (Hoskisson et al. 2000: 255), 'risk aversion' and 'insider resistance' (ibid.255), also 'priority not given to shareholder value (Filatotchev et al. 2000: 301). Management was based on relationships, 'personal contacts and informal agreement through […] trust building' (ibid.263), and 'networks and personalised exchanges' (Hoskisson et al. 2000: 256; Peng and Heath 1996: 515). Autocratic management style in managing subordinates dominated workplaces (Jankowicz 1994; May et al. 2005; Stelmach 2005), with 'laissez-faire' style towards professional level employees (ibid.84-87). Local managerial skills were assessed by FDI companies as: low level foreign language skills, lack of managerial skills, lack of discipline, negative attitudes towards work, superiors, and work tasks (Czupial 2000: 17-23). However, negative attitudes towards work, superiors and work tasks are explained by critical management approach as perceptions of exploitative employment relationship (Meardi 2006), and in change theories by reactions to change (Napier 1989).

In contrast, managerial qualities dating from socialist period are viewed positively by some researchers (Pavlica and Thorpe 1998; Puffer et al. 1997). Russian managers' strong work ethics, combined with humanistic belief system and paternalistic management style are found similar to these of US managers (Puffer et al. 1997: 265). The authors note that: - '…Russian managers, […] refute the stereotype of their beliefs about work, and in many respects, their views resemble Western managers' [views] ' (Buchholz 1977 in ibid.272). Adaptability, innovation and tenacity, and preference for collectivist-type activities such as teamwork, are well suited to conditions of market economy.

2.4.2   Local managers' perceptions

Unlike the low-level status of manager in pre-1989 CEE organisation, the Western concept of manager has been idealised and romanticised in US literature, according to Kostera (1996), with manager as organisational hero (ibid.183). In company settings, Kostera contends with Furusten (1992), that a manager is 'a marionette and not a conductor' (in ibid.183). Affected with ethnocentric idealism of Westerners in early-phase transition, local employees perceived foreign investors and consultants as outsiders, acting 'with missionary zeal' (Bedward et al. 2003: 535) and offering 'simplistic prescriptions' (Niekipielow 2002):

"Romantic marketers" see panacea for all economic problems in speeding up liberalisation process for the sake of the consumers. But consumers are also producers... (in Cholaj 2004: 115).

The prevailing mode of implementing change, according to Kostera (1996) was a crusade: 'someone knew what's best, what's best for us' (ibid.253). Typology of 'agents of change' (Kozminski 1998) lists four categories: 'Populist politician', 'New

technocrat', 'Foreign crusader' and 'External consultant' (ibid.191-195), with the last two categories relevant to this study. The 'Foreign crusader' type describes someone who is emotionally involved in transition (ibid.197). 'External consultants' are: - 'mostly highly paid consultants and lecturers in the area of management' financed by international financial institutions – the IMF and the World Bank. Consultants are termed 'mercenaries' because of profit-driven nature of their activities, and as 'Marriott brigade', because of being based in expensive Marriott hotels, and assessed as follows:

the 'nature of their activities - predatory. They try to sell in Eastern Europe simple and standardised packages of management techniques. They work on principle "We know best" (ibid.196).

The initial approach by foreign investors to local managers is described in literature as 'lack of respect', and 'belief in their inferiority', and 'lack of understanding of motivational factors' (Harris and Moran 1987 in Kozminski 1998: 231), which implies lack of understanding of socialist management concepts. I suggest that explanations for mutually differing perceptions lie in differing conceptualisations of manager's role and management objectives outlined in the next sub-section.

2.4.3   Pre-1989 managers

In CEE countries, the managerial cadre was grounded in ideology of socialist economy (Michailova 2000), and in politicised context of mission of socialist management (Kiezun 1991: 37; Kostera and Wicha 1996: 102; Puffer et al. 1997: 265), which assigned managers a role beyond immediate organisational environment, and varied from that of a role of manager in Western organisation. The Western manager's role follows the Anglo-Saxon business model (Handy 1995: 137-147), and is to generate profits for company's shareholders, while CEE

manager's role was to serve higher-level needs of society. Right-wing ideological

solutions were put before profit (Kiezun 1991: 37 in Suutari 1998: 235) for political

reasons. An excerpt from pre-1989 management literature illustrates these

differences:

Capitalist economy utilises rules and principles, sometimes ruthless, but able to push an

individual towards an enormous effort. Socialism minimised fear of unemployment and set

higher levels of motivation. According to stipulations of socialist cadre, manager fulfils a

role of servant of society and its vital causes (Pietrasinski 1975: 63).

In effect, managerial qualities required in CEE enterprise were technical

knowledge, but also inter-personal qualities, including ability to survive in

industry-wide environment of centre-led economy, while competing for resources

and negotiating targets for his enterprise:

Competency is technical efficiency, technical competency gives person confidence, in turn

enables stronger manifestation of his independence, emphasises personal dignity that

enables to command respect of immediate surroundings. Incompetence contains seeds of

amorality, opportunism and lack of personal dignity (Pietrasinski 1975: 163).

Different stages in development of pre-1989 Polish enterprise required different

managerial qualities, as shown in Kostera's (1996) *Postmodernism in*

management. First, the post-war enterprise was a Taylorist system of production,

with high targets and led by 'Activist' (ibid.31). Post-1955 stage was of a

hierarchical organisation led by technocratic 'Bureaucrat'. Post-1975 period of

modernisation and centralisation was led by 'Joyful Dignitary'. The 1980s, termed

as 'management by hope' (Kiezun 1991: 129) was led by 'Chameleon' with the

ability to adapt to increasingly difficult economic environment. The desired

managerial qualities evolved over the period, starting with efficiency and

productivity, followed by innovative technological progress, then inspirational

modernity, and ending with adaptability and tenacity. Some managerial qualities are likely to follow societal values, and I will reflect on these in Chapter 3.

Management objectives of Western shareholders and Russian managers in local enterprise differ, argue Filatotchev et al. (1999) in *Privatisation, insider control and managerial entrenchment in Russia*. The authors compared objectives of managers, employees and outside shareholders in three categories: sales volume - relating to enterprise, employment security, salary security, social benefits – relating to employees, and dividends – relating to shareholders. While Russian managers and employees gave all three categories equal importance, outside shareholders had mainly profit-based objectives. Outside, that is - foreign shareholders, gave prime importance to dividends category, with about 60% of that value given to enterprise category, and less than half of that value given to staff-related categories. Viewed through the lens of management objectives, Filatotchev et al.'s (1999) study shows how Russian and Western managers reflect their differing societal values.

In the next sub-section, I will examine whether managerial qualities and objectives became deinstitutionalised sufficiently to discard ideology of socialist economic system.

2.4.4   Later-phase managers

The polarisation of formerly homogenous managerial qualities is noted in later-phase transition. Local managerial talent without MBA qualifications (Taylor 1991 in Kozminski 1998: 198) was noticed as working alongside 'old nomenklatura' (Filatotchev 1999: 501) in FDI companies. Experience of working in FDI environment equipped managers with global skills and market-led behaviours, with some talented individuals moving into international senior

management roles. As documented in recent business publications, Polish managers run large Russian companies such as Mobile TeleSystems with a 60 m subscriber network (Olechowski 2006: 62-64), and are in senior management of General Electric, Motorola and Microsoft in Poland (Walewska 2006: 8), or abroad with Citibank (Solska 2005: 4). Local managers self-select to work for multinational companies with foreign managers, Banai and Reisel (1999: 485) argue; thus have propensity for learning, and chose to acquire global managerial and language skills.

The majority of managers work in non-FDI companies, retaining managerial qualities of pre-1989 period, as shown by following examples. In Poland, non-FDI companies' management emerged from popular form of privatisation - management buy-out (Kozarzewski 1999: 103), as former management elites actively participated in privatisation process (Gross 1992 in Banac 1992: 66) and as a result:

Many joint stock companies benefiting these dignitaries were founded over the last three or four years. Members of the nomenklatura effectively bought, at prices set by themselves, their jobs.

In consequence, 'old communist nomenklatura' are managers and owners of new privatised firms - non-FDI companies, according to Ost (1993: 469). In Russia, a strategy of 'managerial entrenchment' or 'insider control' of local managers, and former 'Red Directors' (Filatotchev et al. 1999: 487), ensures that former managerial and work practices are retained. Characterised by a low level of innovation and a high degree of inertia (ibid.75), non-FDI companies are described thus:

strategic horizon of Polish companies is about 3 years, [they are characterised by] adaptive behaviours of managerial cadre, passivity of employees, ineffectiveness of motivational

procedures, and a tolerance of autocratic management style by the employees (Stankiewicz 1995: 332).

A recent management survey (Stelmach 2005) provides a profile of contemporary managerial cadre in Poland. It is estimated at 3 m, with 2.5 m working in small and medium-size enterprises (SMEs). Mostly men, employed in retail and services, and of age group between 40-50 – half are former pre-1989 managers (ibid.11). Only 20% of managers had management training, being employed by large companies, the rest used intuition (ibid.13). Among all, prevalent is a passive – "had to adapt' to new conditions'- attitude. Defensive behaviours, described as lack of openness for change, barriers, fear of managing (Czupial 2000: 29); also, fear of risk, dislike of teamwork (Jakubow 1999 in Borowiecki 1999: 698), are evident. Despite these shortcomings, local managers in non-FDI companies show sufficient general management skills for their companies to survive. Comparing FDI and non-FDI managers: the literature shows that the former have the knowledge and the ability to transfer Western HRM practices. The latter's effectiveness, if without FDI experience, is impaired by a lack of management techniques and over-reliance on instinct.

In this section, I show willingness of some local managers' to transfer HRM practices, leading to contingency in use of practices, or their distortion. Variation in reactions to practices, that is – variation in level of acceptance and support for practices, cannot be explained solely by organisational context. In Chapter 3, I look for explanations of variation in reactions to practices in values of local managers underpinned by wider pressures of historical experience and post-1989 transition. Empirical evidence for variation in reactions is provided in Chapter 5 and discussed in Chapter 6.

Conclusions

In the present chapter, I discussed the themes of FDI companies, HRM practices, reactions to practices and local managers, with an aim of reviewing literature from the viewpoint of organisational-level relationships. In transfer of practices facilitated in FDI and non-FDI companies, local managers learn to use practices to support transfer. With reference to the chapter title, I attempt to address it by concluding that local managers transfer practices under con-current conditions of de-institutionalisation and institutionalisation. The chapter shows how this conclusion has been reached. The literature shows that FDI companies remain sole environment for transfer and that elements of former personnel model exist in non-FDI companies. Managerial learning in companies facilitates transfer. HRM practices have negative associations of downsizing and control, and appear to become modified in transfer process by local managers. Pre-1989 and contemporary managers are compared to advance understanding of reactions. Homogenous, negative reactions of local managers of early-phase transition and the current, later-phase reactions remain under-explored. Assumption that local, ex-FDI managers will transfer practices to non-FDI companies is questioned.

Next, Chapter 3 considers further explanations to local managers' variation in reactions in a context of external pressures and moderating factors of transition and historical experience.

3: Socialised to capitalism?

In a wider political and societal context of transition, new institutions are being set up and practices transferred, while the old system is subject to de-institutionalisation (Oliver 1992). In institutions and organisations, transfer participants, that is – local managers, are subject to external pressures of institutionalisation. Late-phase transition, completed for some countries in terms of meeting economic indicators, remains 'work in progress'. Societal transformation with its external 'political, functional and social pressures' (ibid.580), is moderated by historical experience - 'entropy and inertia' that 'exert opposing forces […] in moderating the pace or velocity' (ibid.) of the process. The chapter's title signals the author's attempt to identify external pressures that institutionalise, or not, emerging neo-liberal values.

In the present chapter, I focus on societal-level themes –post-1989 transition, historical experience, and traditional and neo-liberal values explored in three sections. The chapter's aim is to analyse the effects of transition, and of pre-1989 period on current values, and to compare them to the effects of historical experience. The first section on external pressures and moderating factors shows to what extent current free market system became institutionalised and socialist ideology of the former system- de-institutionalised. The second section shows how historical experience of the region, and in its context – Poland's, created regional and national identity traits. The third section concerns traditional and neo-liberal values in CEE countries. It discusses to what extent socialist and neo-liberal values can be identified as current values, and whether emerging neo-liberal values match regional and national identity traits. Empirical evidence to support the literature review's findings is then presented in Chapter 5.

The next section concerns external pressures of post-1989 transition, and of former system. First, I detail economic, political and societal outcomes of transition to assess their role as external pressure (Oliver 1992) of change. Second, I outline background of transition, that is – of pre-1989 socialist economy to discuss the effect of socialism as moderating factor.

3.1 External pressures and moderating factors

External pressures of political and economic systems affect societal norms. For CEE countries under external political pressures, post-1945 changes in economic systems were first - to socialism, then – to capitalism, thus creating instability (Villinger 1996). The post-1989 transition with its economic turbulence does not create learning environment for new societal and individual-level values (Cyr and Schneider 1996; Pollert and Hradecka 1994). The legacy of a former, socialist system is a barrier to societal transformation (Michailova 2000; Puffer et al. 1997; Shenkar and Ronen 1987). Viewed through the lens of the deinstitutionalisation theory (Oliver 1992), both- periods - post-1989 transition, and pre-1989 socialism are assessed as external pressures for institutionalisation, or for moderation of new values.

3.1.1 Political and economic transition

Dominant neo-liberal ideology conceptualised the transition process as victory of capitalism over socialism (Fukuyama 1992). The post-1989 transition of former socialist countries to market economy had political overtones (Cholaj 2004: 563). Societal perceptions of transition are of mismanaged privatisation using Western textbook solutions with old socialist elite appropriating formerly collective property. The generous benefits of socialist states were replaced with new market liberalism, worsened economic conditions and weakened governments. Former

dependence on the USSR became dependence on the West, and disenchantment with democratic reform widened.

The terms 'transition', and 'transformation' have been used to describe the process suggesting their differing conceptualisations. In organisation systems theory, a linear transition pattern is one of many theoretical possibilities (Greenwood and Hinings 1988: 302). More usual progression is adjustment rather than re-orientation with the process signified by temporary reversals and delays, thus becoming rather non-linear (Burns and Stalker 1961 in ibid: 307). Some economists argue that both processes were parallel, that is - transition from "real socialism" co-existed with 'transformation of societies' (Goralczyk 1995 in Goralczyk et al.: 144). Following this conceptualisation, this study uses both terms, in economic sense – transition, and for deeper, societal and organisational contexts – transformation. According to the IMF economic indicators (Steensma et al. 2005), economic transition is over for some countries including Poland, Hungary and Czech Republic, with transition reversed in Russia because of its economic independence from Western finance, and with the remainder of CEE countries in late-phase transition.

Two privatisation strategies were used to remedy deficiencies of socialism and to restore economic balance between heavy industries and consumer goods and services (Peiperl and Estrin 1998): - 'rapid', 'shock' or 'big bang' privatisation (Basu et al. 2005; Ewing et al. 1993; Frydman and Rapaczynski 1992), and gradual reform type. Textbook solutions of foreign consultants based on classical model of free markets of Hayek (1992), were imposed with society 'indoctrinated and blackmailed with having no alternative' (Cholaj 2004: 572-573). 'Rapid' strategy involved dismantling of institutions and break-up of mono-bank structure, liberalisation of prices, small-scale privatisation being managed by Western investment houses and fund managers (Frydman and Rapaczynski 1992:

6). Formerly used in Latin America, and adapted for Poland by Jeffrey Sachs, 'shock' strategy 'was capitalising on the emergency environment' (Klein 2007: 181). It included privatisation of formerly state health, education, and pension system (Kozminski 1998: 205). The alternative - gradual privatisation model, relied on institutional reforms, sale of large enterprises by initial public offering, direct sale to investors and employee buyout; with setting up of taxation system and development of commercial market sector (Svejnar 2002: 7). Some examples of privatisations follow. In Hungary, Czech Republic and Slovakia former state companies were sold, using a voucher method, for foreign investors to repay foreign debt. In Slovenia, state assets were sold mostly to domestic investors. (Zupan and Kase 2005: 88). In Poland, 'shock therapy' experiment was abandoned in 1992 as the result of societal backlash (Klein 2007: 192), and replaced by gradual reform approach. Analysing two alternative approaches to privatisation of different countries Stiglitz (2002: 182) admits that 'gradualist' privatisation approach adopted by Hungary, Slovenia and Poland achieved better economic results than 'radical' approach. The latter had negative effects in the Czech Republic, and caused a collapse of economy in Russia (Pollert and Hradecka 1994: 118; Stiglitz 1999: 39). Both approaches applied as an experiment at great political and human cost, created unstable and difficult economic conditions.

Economic and political outcomes

The sale of state enterprises was found to be complex to implement, with small number of attractive companies being sold relatively quickly, and the majority remaining in the hands of state sector for the lack of buyers (Ewing et al. 1993: 167). The process was also accompanied by wide-spread corruption (Svejnar 2002: 7) as a result of parallel de-institutionalisation of old system, with weakened legal

system, lack of legitimacy of old institutions, and lack of new institutions
(Kaminski 2001 in Jarosz 2001: 40):

lack of domestic capital leads to necessary privatisation programmes and here […] state
property is diverted only to those who have money to pay for it. Some observers from […]
say, not without reason, that the state property is not being sold, but looted and dispersed.

Income achieved by CEE governments from privatisation was rather low, and
directed towards paying debts of socialist governments to Western banks. In
former Czechoslovakia, voucher method sale of state enterprises created
'capitalism without capital', that led to the recession (Pollert and Hradecka 1994:
52-54), and speculations that former state assets were under-priced. Average
income generated from privatisation by CEE countries' governments was 5% of
GDP, with Hungary being an exception at 14%:

it is interesting to note that their [CEE countries'] governments have collected very little
revenue from privatisation (Tanzi and Tsibourne 2000 in Svejnar 2002: 13).

Capital accumulation was also low, and in Poland - 10% of GDP in 2000, according
to Matkowski (2004: 78), indicating flight of capital abroad and lack of investment
in manufacturing. Economic growth did not reach pre-1989 levels, and as a result
of dismantling of CEE-specific trading organisation – CMEA (Council for Mutual
Economic Assistance) old socialist enterprises lost their markets and were unable
to trade (Whitley and Czaban 1998: 102). Thus, the focus of privatisation was the
destruction of the existing system that in turn created an economic and
institutional vacuum.

A critical approach in literature sees post-1989 transition as a 'part of global
restructuring of world market' (McCann and Schwartz 2006: 1342), with the

inclusion of CEE countries into peripheral networks of global economy (Pajestka 1993: 164), in which these countries are 'passive players' (Dijmarescu 2001: 13). Political dependency, in a sense of inability to act in national interests, was created as the result of economic dependency on international financial institutions and FDI companies (Hunya 2000; Kozminski 1998). Poland's economic model is a 'hybrid system of latinised, i.e. dependent capitalism' (Poznanski 2001 in Cholaj 2004: 574), with political system 'part free and part authoritarian' 'hybrid' (Ost 1993: 480). From a historical viewpoint, the transition and transformation process is:

a conservative revolution, a confused throwback to a pre-communist past ...the result was uninspiring 'colonisation' of central and eastern Europe by a recharged and rapacious consumer capitalism [...] threatening to the still fragile democracies of this region (Heffernan 1998: 227-228).

Thus, economic and political outcomes assessed by transitioning countries as 'pathological' (Cholaj 2004: 590) in a sense of abnormal consequences, indicate distortion of original spirit and goals of transition. The societal outcome was a 'transformation of societies' (Goralczyk 1995 in Goralczyk et al. 1995) in which new values were formed, as shown in sub-section 3.3.3.

Societal outcomes

The liberalisation of prices used both in 'shock' and 'gradual' privatisation strategies destroyed individuals' savings leaving them without resources to face the transition (Stiglitz 2002: 133-165). Labour shedding was imposed on enterprises that formerly applied socialist full employment policy (Basu at al 2005: 354), thus creating wide-scale unemployment. The effects of high unemployment were strengthened by inadequacy of social welfare provisions (Pietkun 2006: 10). In Poland in 2003, 59% of population lived below poverty line

(Klein 2007: 192). On workplace level, decline in pay and drop in the living standards to pre-1989 levels, produced new type of poverty for workers in full-time employment, with wages set below-survival level (Cholaj 2004: 596), forcing them to seek secondary employment (Ashwin and Popova 2006: 1414). Predictably, labour migration to the West followed, as CEE countries became 'peripheral, low cost second tier supplier' providing 'semi-skilled labour for Western Europe' (Martin and Critescu-Martin 2002: 534). Societies were 'demoralised' by 'shock therapy' (Jakubow 1999 in Borowiecki 1999: 697) and CEE governments that managed transition experienced election defeats with subsequent policy reversals, as 'transformed' societies expressed disappointment with market reforms and democracy. Outcomes of transition did not match rather high and unfulfilled expectations:

[CEE countries] most have been implicitly equating the transition with a process that will make them partners with the relatively advanced countries in the world in general and with Western Europe in particular, generate rapid economic growth, will interact with major economies… (Svejnar 2002: 25-26).

Societal transformation - 'a particular sociological experiment which has no comparator in history' (Kolankiewicz 1996: 438) produced new in CEE countries phenomena, including: - development of social inequity with division to manual and non-manual workforce, commercialised state enterprises, and the emergence of social democratic model, closer to inherited egalitarianism of former socialist state, than to a 'neo-liberalist Anglo-Saxon' system (ibid.428). For the new elite – mostly old socialist elite and old private-sector entrepreneurs, transformation meant large-scale material success, which facilitated forming of emerging values. For the majority, 'survival mentality' in Poland (ibid.), with 'less initiative or self reliance' (Danis and Parkhe 2002: 436-437) in Hungary, and fatalism with 'belief in fate and destiny' in Russia (Fey and Denison 2003; Michailova 2000: 106; Suutari 1998), meant that transition participants reverted to regional and

national identity traits. Thus, subjective individual experience of transition both de- institutionalised and reinforced traditional values for transition participants.

To sum up, the post-1989 transition was an imposed political and economic system change, and an experiment with some negative economic, political and societal outcomes. Transition experienced on an individual level as chaos and uncertainty provides explanation for historical-experience-based regional identity traits examined in section 3.2. Next, traits attributed to socialism are assessed.

3.1.2   Pre-1989 background to transition

According to Western economists (Hayek 1992; Sachs 2005; Stiglitz 1999; 2002), socialist ideology was responsible for the economic collapse of CEE countries, and post-1989 reforms package reflected the West's anti-socialist stance by imposing change of political and economic systems. According to CEE political economists (cf. Tittenbrun 1993), state-managed national economies were dependent on foreign currency loans from Western banks, and economic development of socialist countries was impeded by high interest rates. The following example illustrates this statement. In Poland, between 1971-1987, credits from Western banks exceeded the value of loans because the compound interest rate mechanism increased the interest rate to 20% p.a. (Business Week Feb 15 1982: 42 in Tittenbrun 1993: 67), thus damaging economic growth. The attempts to run mixed economy, that is - with private sector participating in light industries, consumer goods and services, were only partly successful. Socialist political and economic system in CEE countries was the outcome of post-1945 settlement, in which these countries became Eastern Bloc with the USSR as its leader (Child and Markoczy 1993; Luttwak 1998). Poland's war losses were substantial, in population - 22%, and in manufacturing facilities - 60% (Buszko 1979: 491).

Subsequently, Poland, like other CEE countries, had been developed within a peripheral economic paradigm of socialism.

Economic systems, as a part of national context (Schooler 1996 in Parboteeah and Cullen 2003) create major institutions and determine production and distribution. Comparing socialist and capitalist economy, the scholars note that socialist model is interventionist:

Socialist – intervene to […] organise production […] through redistribution of wealth, to build security nets for societal members, satisfying human goals (i.e. social equality and security) rather than profit motives (Tsoukas 1994 in Parboteeah and Cullen 2003: 138).

Socialism as economic model has four common ideas: concern with poverty, social justice – equality, community before individual, and collective ownership of the means of production (Weaver 2003: 15-18) and all four elements were present in socialist countries. Some adjustments were made in CEE countries in collective ownership concept, and participation of the private sector in economy allowed to greater (e.g. Yugoslavia) or smaller (e.g. the USSR) extent. The opposite of socialism – the capitalist system, means that control over 'major economic resources, is delegated, albeit to varying degrees, to private owners and their agents' (Whitley 1994: 154 in Parboteeah and Cullen 2003). The role of the state is further minimised in post-1989 transition by applying Hayek's neo-liberal ideology with a concept of 'open society' and 'social institutions associational or contractual' (Weaver 2003: 47), in order to 'safeguard individual and corporate freedom […] minimising the potential for state mismanagement corruption or tyranny' (Hayek 1992 in ibid.7). A concept of neo-liberal freedom is of 'negative freedom', or of freedom from the state, unlike a socialist freedom concept. The latter was of positive freedom 'to do', and 'in agreement with social justice and

collectivism' (Weaver 2003: 148), of power given by the state to all individuals 'to pursue opportunities' (ibid.148). Thus, a concept of freedom in neo-liberalism is similar to 'Golden Liberty' in Poland, as shown in section 3.2, and different from 'positive freedom' of socialist state.

Socialism as a concept in Marx's social theory is a post-capitalist phase in societal development (Jenks 1997: 70), and a dialectic progression to post-materialist society based on the 'to everyone according to his needs' principle, unlike distributive justice of capitalism with 'those who achieve most get most'. Socialism as ideology offered an alternative to out-of-reach Western economic prosperity for historically underdeveloped CEE countries by focusing on higher-than-material-needs values for society and individual. Many CEE researchers attribute negative attitudes to transition to legacy of socialism (Filatotchev et al. 1999; Kolankiewicz 1996). Alternative explanation is of 'cultural traits later reinforced by the system of central planning' (Danis and Parkhe 2002: 448), that is, of pre-socialist historical experience. In support of the latter, I argue that specific to the region identity traits are based on shared historical experience as shown in section 3.2. Moreover, socialist ideology appears to broadly match regional identity traits. The significance of this interpretation is that it explains persistence of traditional values in later-phase transition, as shown in sub-section 3.3.3.

Many examples illustrate societal norms and values attributed to socialism, but likely to originate in earlier historical periods, as shown in section 3.2. Belief in social justice and not in individual achievement (Kostera 1996: 263), and collectivism and ambivalent stance towards entrepreneurship (Thurow 1992 in ibid.175) could be explained by egalitarianism embedded in legal system of the region. Conceptualising democracy as consensus, and not as pluralism (ibid.174) could be explained by 'Liberum veto' voting system of Poland's closed democracy. 'Right to work' could be explained either by socialist equality principle of social

justice, or by prior, regional-identity-trait of egalitarianism. Some traits, such as strong distrust of authority (Nasierowski and Wright 1993 in Nasierowski and Mikula 1998), as well as lack of respect for authority (Skipietrov 1992 in ibid.), observed in JV companies, are regarded as socialist legacy, but in a context of early-phase transition, historical experience approach provides more likely explanation of regional trait of distrust of the West. Next, 'voluntary co-operative behaviour' and 'network reciprocity' or 'defensive' and 'coping' behaviour, that characterised socialist societies in Poland (Kolankiewicz 1996: 436), could also be explained by historical-experience-based collectivism and egalitarianism of the region.

To sum up, some concepts of socialist ideology became embedded in societal and organisational-level values of the pre-1989 period, as a result of matching regional and national identity traits of historical experience, thus becoming entropy and inertia (Oliver 1992) in transition. The exception is conceptualisation of socialist freedom as positive freedom 'to do'.

In the next section, I study regional and national identity traits as affecting values alluded to in CEE literature (Danis and Parkhe 2002; Whitley and Czaban 1996).

3.2   Historical experience of CEE countries

Central and Eastern European countries combine cultural heritage of Europe and Asia, resulting in 'cultural confusion' of being Western with relation to the East, and Eastern with relation to the West (Longworth 1997: 154). Non-Western identity of the region implies variation in economic, political and cultural systems and non-Western values (Heffernan 1998; Longworth 1997). In this study, a historical experience concept includes a national context with culture and societal

institutions (Schooler 1996 in Parboteeah and Cullen 2003: 138), with a geopolitical context in relation to dominant political, economic and cultural power of Western Europe. Historical-experience-forming national identity refers to Poland, and regional-identity - to CEE countries. Legacy of socialism in current systems received attention of CEE researchers (see Chapter 2). Prior to socialism, and on a national level, the role of historical factors in organisational-level transfer is alluded to in the literature (Danis and Parkhe 2002; Jankowicz 1994; Kostera and Wicha 1996; May et al. 2005; Pollert 1999). On a regional level, deep embeddedness of regional values, as speculated by Danis and Parkhe (2002), or Todeva (1999) remains under-explored. To illuminate the effect of regional traits, I draw on literatures on political history, political geography and history of Poland for geographical-position-based historical experience.

Next, I elaborate a concept of regional identity traits to seek explanations to local managers' reactions.

3.2.1   Regional identity

Over the centuries, historical experience of the region was of external pressures from East and West, resulting in political instability, economic underachievement and a paradox of mixed cultural influences - 'how to identify with the West without abandoning the East' (Cholaj 2004: 636). A role of historic strategic 'buffer zone' (Heffernan 1998: 69), in the pre-XX century period affected cultural, institutional, political and economic developments and formed specific regional identity traits. Post-1919, political pressures reinforced these traits, as shown next.

Pre-XX century, two CEE countries were a 'human moat' against Tartar tribes (Rose 1939: 21). Between XIII and XVIII centuries, Poland and Hungary fulfilled a

'shield of Christianity' mission on behalf of Rome and Western Europe against the Ottoman Empire and Islamic religion (Longworth 1997: 188). Cultural, political and economic legacies left were different for these countries. Latin-based Christianity was brought by German missionaries to former Bohemia, now Czech Republic, and Hungary - hence Saxon influences. Poland took Christianity directly from Rome (ibid.), thus Catholic religion became a specific cultural factor (Shenkar and Ronen 1987). In contrast, Russia with many neighbouring countries had Orthodox, Byzantium-based religious orientation (Huntington 2002). In effect, religion-based cultural identity appears to be Western for Poland, Hungary and Czech Republic, and non-Western for Russia. For Poland, Catholicism becomes national identity trait, as shown in sub-section 3.2.2 and in Chapter 5.

The institutional and legal framework in the region was a legacy of Byzantium, facilitating development of egalitarianism and collectivism. The region's institutions were based on Roman law, unlike English common law. Lack of primogeniture in family law meant that inherited property was equally divided leading to 'parcellization' of the land creating small estates (Longworth 1997: 137). Societal make up of the region was of two distinctive classes – nobility, rather a high percentage of the population with 10% in Poland and 5% in Hungary; and peasantry, living in legalised conditions of serfdom (ibid. 188). The middle class was absent until XVIII century and then devoid of privileges enjoyed by nobility. The effect of legal framework and weak institutions explains embeddedness of egalitarianism and collectivism of the region, attributed by some CEE researchers to socialism.

Political pressures affected CEE countries' sovereignty that explains passivity and fatalism as regional traits. Distance from trade routes set up by West European nations, and a burden of defending the West from Central Asian tribes caused economic backwardness (ibid.). Later occupation by foreign powers left mixed

cultural and institutional legacies of East and West. Southern European countries - Romania, Bulgaria, and Albania lost their sovereignty to Ottoman Empire for 400 years, thus show eastern influences. The Czech Republic was a province of Bohemia and a part of Germanic states until 1919 displaying Germanic influences. Hungary, first conquered by the Turks, and later - by the Austro-Hungarian Empire – has both eastern and western influences. Poland – partitioned and annexed in XVIII century by Russia, Germany and Austria – shows eastern and western influences. Thus, for smaller countries, historical experience included centuries of foreign occupation, in which populations adapted to institutional and cultural structures of the occupiers developing a trait of passivity reported in the literature (Chapter 2, section 2.3).

The effects of political pressures were distinctive regional identity traits. Examples are as follows. The need for military efficiency in Tartar invasions had preserved tendency for centralised power structures (Longworth 1997: 289), and preference for authoritarian leadership (ibid.192), noted in CEE literature as authoritarian management style (Suutari 1998). Lack of military support from Western neighbours, or acknowledgement of contribution Eastern Europe made in maintaining political stability, created distrust towards the West (Chapter 2, section 2.3). The occupation of smaller countries by foreign powers created attitudes of passivity and fatalism noted in CEE literature (cf. Markoczy 1993).

Post-1919, political pressures maintained a 'buffer' role for the region. After World War I, a 'New order' based on the theory of Mackinder (1919), divided Europe into two regions of east and west, with historical 'buffer states' as the 'Heartland' of Europe. The Ottoman and Austro-Hungarian empires were broken up and formerly occupied Poland, Hungary and Czechoslovakia, negotiated independence as liberal democracies (Heffernan 1998: 63-69). Politically and economically dependent on Western Europe, they were a buffer against the USSR. In contrast,

post - 1945, CEE countries were a buffer against the Atlantic Alliance on behalf of the USSR. Post-1989, the EU membership for CEE countries appears to provide a 'buffer' role against Russia on behalf of Western Europe. Thus, passivity and fatalism in organisational settings reported in the literature (cf. Markoczy 1993) might persist as societal reactions to external political pressures, as shown in Chapter 2, section 2.3.

To sum up, a distinctive historical legacy of CEE countries created regional identity traits of: - preference for centralised power structures, collectivism and egalitarianism, passivity and fatalism, distrust of the West. Poland has separate national identity traits, as shown next.

3.2.2   National identity of Poland

The regional 'buffer zone' role is stronger in Poland than in other countries, as Poland is a transit territory between two powers: - Germany and Russia (Nalkowski 1912 in Cholaj 2004: 638). Strategic positioning facilitates political instability that characterises Poland's historical experience (Davies 2006). I focus on three specific periods in history as providing explanations for development of identity traits: first, with dominant national traits - as military power and Roman-style democracy - till XVIII century; then, the second and third period with dominant regional traits - as partitioned and annexed - till 1919, and as independent democracy of between-wars period - till 1939.

National-traits-dominant period

Polish monarchy - the Poland-Lithuania Commonwealth included the territories of present Lithuania, Byelorussia and Ukraine (Cholaj 2004: 638), was a regional military power until XVIII century. In its role of a 'defender of Christianity', it coped with frequent invasions of Central Asian tribes, and wars with Ottoman Turks using the military force of the ruling class – the nobility (Longworth 1997:188). The 'defender of Christianity' role was not shared by the neighbouring Bohemia, Hungary and the Habsburgs that had mostly conciliatory relations with Turkey, leaving Poland to shoulder financial and population burden of the defence. Thus, Poland established a pattern of non-reciprocal relationship with the West, providing another explanation for reactions (Chapter 2, section 2.3 and Chapter 5).

Institutionally, Poland as military power was a closed democracy of the ruling class in a period called 'Golden Liberty'. It was based on Athenian 'liberum veto' principle, unlike authoritarian monarchies of centralised neighbouring states (Gellner 1987: 53). Legislating in local assemblies using 'liberum veto' meant unanimous consensus, not the majority vote (Gellner 1987: 53; Spinelli 2005: 49). More importantly, for Polish nobility "Golden Liberty' also meant freedom from government institutions. In exchange for obligatory military service, nobility were the only class to legislate, to buy land and to trade until XVIII century (Wyrozumski 1979: 262). They were exempt from land tax and customs duty, and law enforcement on person and property (Gierowski 1979: 69). Economically self-sufficient, most owned at least one village. Some nobles' property was of legendary proportions. To illustrate the political power they were able to exert, in XVI century, Zamoyski family owned 11 towns and 200 villages and the total land of the estate was 17,500 square km (ibid.). On the one hand, in the spirit of

egalitarianism of the region, Polish nobles didn't use titles (Rose 1939:112), and on the other hand, they believed themselves to be superior to Western nobility and to other classes (Gierowski 1979: 303). Positive national traits such as honour, religion, daring, energy (Lepkowski 1989: 26) were romantic nationalism of military-power period, but more sceptical assessment was that:

Polish nobility craves fame, is greedy for plundered riches, has contempt for danger and death (Geremek 1986: 54-55 in Lepkowski 1989: 36).

A trait of romantic nationalism is relevant in organisational settings, as shown in case studies elaborated in Chapter 5.

The 'Golden Liberty' period formed a concept of freedom, with a tendency to 'glorify the idea of liberty' (Sieroszewski 1995 in Walas 1995: 65). On a regional level, 'freedom' is conceptualised as avoidance of authority of peoples occupied and ruled by foreign powers:

By freedom we understand […] the chance for survival, the inventive concealment from authority, continuous muddling through. […] We learned that the state is an enemy that must be deceived at every opportunity… (Esterhazy 2003 in Levy at al. 2003: 75).

Unlike Western European conceptual meaning of 'freedom to do' of Locke, Hume, and Kant - that is of 'positive freedom' that gives 'opportunity to satisfy choices' (Weaver 2003: 284), and of socialist 'freedom to do' in a sense of social justice and equal opportunities for all, 'negative freedom' is 'absence of coercion' and 'full capacity to determine one's own life and property' (ibid.138). The idea of 'freedom a la Poland' is similar to 'absence of constraints' in Russia and to the XX century

neo-liberalism of Hayek (1992), thus explaining why a neo-liberal value of freedom linked to democracy emerged in post-1989 transition.

Regional-traits-dominant period

The national identity traits of Poland changed to shared regional traits of CEE countries under post-1797 political pressures. Three consecutive partitions divided 800-year-old-Polish monarchy between neighbouring Russia, Austria and Germany. The ruling class experienced prosecution from the occupiers, including confiscation of property (Rose 1939: 46), and frequently chose to live abroad. In the XIX century, 9 m people migrated to Western Europe and Russia (Baliszewski 2006: 72). The population in partitioned Poland was subjected to assimilation policies under administrative institutions of the occupiers, with non-national official languages and educational systems. In partitioned Poland and abroad, national identity was maintained by cultivating national culture (Buszko 1979: 447). Thus, political pressures reinforced romantic nationalism of military-power past, noted in CEE literature (see sub-section 3.3.3).

The paradoxes of partitioned Poland brought duality in values, by which individuals could accommodate contradictions of being a Polish patriot, and a Russian, or an Austrian or a German citizen under administrative 'greyness of everyday life' of annexed territories (Gomulka and Polonsky 1990 in Todeva 1999: 621):

Poles remained 'themselves' through crippled in various ways and morally disabled by subterfuges they resorted to in order to save their souls (Rose 1939: 119).

Therefore, duality of values was manifested by the ability to maintain different personal and societal values, discussed in section 3.3. Under political pressures of partitions, regional identity traits of adaptability and passivity were acquired by the Polish population. Duality in values continues in pre-1989 background to transition, and post-1989 transition, as shown in section 3.3.

The third period of 1919-1939 between-wars Poland as an independent state, was of experiment in liberal democracy that ended in military dictatorship (Longworth 1997: 333). The post-1919 state lacked societal and economic unity with legacies of three institutional systems (Rose 1939: 217) that required consolidation. The economy benefited from the inflow of foreign capital, but participated in the world financial crisis and the effects were: the increase of national debt, flight of capital abroad, and migration to the West caused by unemployment reaching 29% in 1933 (Buszko 1979: 428). With unsuccessful experience of global capitalism and democratic government, passivity continued:

[Pole] lacks confidence and belief in own ability, with superficial cockiness, and with essential superiority as evidence of honour, courage…, faced with power […] is characterised by servitude; compromise… (Eckert 1988: 99).

Political pressures, maintain historians, mean that the role of Poland in the region has been determined by major powers in pursuit of their national interest: 'Poland in its history has always been a wall' (Michnik 2002 in Cholaj: 639). Evolving and permanent political instability – an effect of strategic position of Poland in Europe as a buffer, and as a transit country (Nalkowski 1912 in Cholaj 2004: 638) appears to reinforce passivity in the Polish psyche.

To sum up, national traits of romantic nationalism, superiority with honour and daring, and 'freedom from' concept originate in Poland-as-military-power period. Poland's later traits are shared regional traits of the region. Analysed through the lens of the de-institutionalisation theory of Oliver (1992), historical experience is external political pressure with regional and national identity is moderating factors of entropy and inertia that impedes potential institutionalisation of new values.

The next section is concerned with traditional and emerging values, examined in turn: first - societal values conceptualised as Western and non- Western; second - work values of socialism; third - current duality of personal and work values.

3.3   Traditional and neo-liberal values

A key assumption of the concept of Western and non-Western values is that they are not compatible (Huntington 2002) and that combined factors of history, geography, and political economy formed 'the West' and 'the Rest' (Scruton 2002). Western identity is based on Western Europe as a region with dominating political, economic and cultural paradigm. Regional identity of CEE countries, although combining influences from East and West, is non-Western in relation to Western cultural paradigm. In modernising approach, pre-existing values give way and are replaced by emerging values that are facilitated by socio-economic conditions: - 'processes of societal change affect collective values' (Todeva 1999: 620), with emerging values, becoming a new societal norm. Individual-level values would adjust: 'Personal values reflect social norms and change with them' (Bedward et al. 2003: 541). In contrast, cultural approach maintains that culture is more stable than responsive-to-socio-economic processes social institutions (Schooler 1996 in Parboteeah and Cullen 2003: 138), and emerging individual level values - transient (Struzycki 2003: 223). This study's assumption is that

traditional values were formed from historical- experience-based regional and national identity, and that that neo-liberal values were formed from external pressures (Oliver 1992) of transition. On a societal level, values are traditional, and on an individual level - traditional or neo-liberal, with the latter facilitated by workplace learning called managerial learning, as this study concerns local managers. Individual-level values are personal and work values that can differ and co-exist, with individuals being able to accommodate contradictions (Burr and Butt 1992 in Todeva 1999: 609). Moreover, individual's identity is constructed with duality in values with personal values being more stable than work values, as work values are in fact behavioural norms connected to individual's role in organisation (Parsons 1961: 42 in Mennell 1974: 124).

In management literature, a notion of duality of values is conceptualised as depersonalisation of emotional distancing, that is - professional self as separate from personal self (Kunda 1992: 181) in a context of the US knowledge workers' experience of organisational culture. In CEE literature, societal values are rather aligned with work values and polar in relation to personal values. Duality of values becomes 'managerial hypocrisy' of socialist managers in pre-1989 workplace (Kostera 1995) or a 'schizophrenic duality' of socialism (Kolankiewicz 1996: 436). Some historians maintain that duality in societal and personal values originate in Poland's period of partitions (see sub-section 3.2.2). In this study, empirical evidence shows duality in personal and work values linked to passivity, as societal values appear ambivalent (see Chapter 5). Moreover, societal values being embedded in historical experience are rather linked to individual personal values of managers, but not to work values. My conceptualisation of pre-existing, traditional values and emerging neo-liberal values is similar to implicit and espoused values in Danis and Parkhe (2002). Implicit values are 'unquestioned assumptions', and espoused values are 'behavioural ideals promulgated by organizational leaders' and 'quickly modified in tandem with the dramatic

institutional changes' (ibid.438). In this study, traditional values are non-Western and emerging neo-liberal values – Western, in a sense of modernising. The next sub-section assesses commonalities and differences of Western and non-Western values.

3.3.1 Western and non-Western values

Non-Western, historical-experience-based values of CEE countries originate in Byzantium (Huntington 2002: 69). Regional identity traits of Eastern Europe (sub-section 3.2.1) include: - collectivism, egalitarianism, passivity and fatalism, lack of economic dynamism, and distrust of the West (Heffernan 1998, Longworth 1997). In contrast, Western values originate in the classical culture of Greece and Rome and include: - individualism, law, institutions, democracy (Huntington 2002); also economic growth and liberalism (Koch and Smith 2007: 179). In order to outline the commonalities and differences of non-Western and Western traits in individuals, I compare Poles with Hungarians – both representing non-Western values, and Poles with Germans – with the latter representing Western values.

Commonalities between Poles and Hungarians could be explained by Latin Christian culture and historic alliances against common enemies - Ottoman Turks in shared military history of the 'defender of Christianity' role (Reiman 1995: 68; Sieroszewski 1995 in Walas 1995: 62). In contrast, Poles and Germans are historic enemies, and appear to have no commonalities despite of shared Latin Christian culture. They conceptualise themselves as each other's opposites:

Pole is said to excel in patriotism, sociability, courage, lack of emotional inhibition, but also in laziness and extravagance. […] German – hard work, nationalism, pride, wealth, cleanliness, education. Distinctly emotionally cool, intolerant, brutal and aggressive (Beckerman 1995 in Walas 1995: 75).

Differences are attributed to the Saxon tribal origins of Germans (Longworth 1997), and expansionist nature of German psyche: - '[German] needs the whole world as his market and his holiday destination '(Beckerman 1995 in Walas 1995: 181). Positive and negative traits attributed to Germans, as representing Western values and summarised as materialism, would facilitate their economic achievement, but the opposite would apply to a non-Western profile. Poles' avoidance of rules as a matter of principle is the opposite of Germans' enthusiasm for rules and regulations (Gajewska – De Mattos et al. 2004: 1008). Poles are the opposite of free-market values embodied by the Americans '… programmed for success and respect for success and an acceptance of successful people' (Grudzewski and Hejduk 1999 in Wawak 1999: 251). Historic distrust of the West became reinforced during the transition as: - 'antipathy towards the West and […] western values' (Camiah and Hollinshead 2003: 251). More importantly, Western values are rejected as denying point-of-reference self-identity:

It would be naïve to believe that they [CEE countries] will forgo their national characteristics for the benefit of some liberal, democratic European universalities (Stasiuk 2005 in Levy et al. 2005: 105).

To sum up, non-Western and Western values appear to diverge for lack of shared historical experience. The next sub-section assesses the legacy of socialist period to establish its effect on current values.

3.3.2 Socialist values

Work values of the pre-1989 workplace broadly matched regional and national identity traits – social justice, egalitarianism and collectivism, with duality of values. Social justice is shown in a socialist 'positive freedom' concept, egalitarianism - in socialist work ethic, and collectivism - in STU system of

collective decision-making, with duality of values evident in the areas of work and personal life. Development of socialist ideas is described in sub-section 3.1.2.

The concept of socialist freedom – 'positive freedom' 'to do' and based on social justice, gave all individuals equal chances to pursue opportunities (Weaver 2003: 148). It helped to develop new elites by widening a pool of talent. The new socialist elite, in principle based on equality of regional trait of egalitarianism, was in practice facilitated by positive discrimination in favour of working class and party membership. The principle of social justice denied individual ability and achievement, and Polish society was encouraged to abandon 'bourgeois', i.e., capitalist values of pre-war Poland with ' [people] trained to disdain values such as wealth, competitiveness, career…' (Jakubow 2000 in Olszewska 2000: 336), and to accept socialist values. The post-war Polish sociologist muses thus:

How far, among the masses, as well as among the elite, the process of distancing from the values of a bourgeois society has been advanced? (Chalasinski 1968: 385).

On an organisational level, a concept of socialist freedom, seen as positive freedom 'to do', provides an alternative interpretation to autocratic management styles attributed by some researchers (cf. Jankowicz 1994) to historical roots. In this line, managerial autonomy in CEE workplace (Suutari 1998: 240) could be interpreted as socialist freedom of 'managers' right to manage'. The apparent contradictions of collectivism, and 'freedom to do' of autocratic management style are in practice reconciled: - 'in collectivist cultures effective leadership is frequently both autocratic and participative at the same time' (Smith 2001: 43).

The socialist work ethic (Chalasinski 1968; Kozminski 1998) was based on a premise of social justice, with work defining worth of individual. Work ethic as a system of morals was relevant to socialist workplace, as opposed to 'live to work'

bourgeois values with 'rudiments of egoism, envy, self-seeking, individualistic careerism' (Bukharin 2006: 127). The cult of work meant that everyone, regardless of their income, was obliged to work in order to make contribution to society with their talents and abilities:

the fact that someone can afford to live without work has ceased to be a societal privilege. It has become widespread to regard work as the natural basis for determining the worth of the human being (Chalasinski 1968: 452).

A concept of individual's identity constructed through work is similar to that of work as self-actualisation (Rogers 1961 in Hayes 1993: 15), For self-actualisation, I use definition from social psychology; - '...the need [...] to develop [...] own potentials and abilities, and which is a part of 'self-concept' arising as a 'result of internalised conditions of worth' (ibid.). It is also similar to notion of self-actualisation in post-materialist value system of Inglehart and Baker (2001 in Parboteeah and Cullen 2003: 141). Self-actualisation at work had been a realistic achievement for the professional and political elite of pre-1989 workplace. Yet, for the majority, 'real socialism' (Safin 1999 in Beskid 1999) meant low wages, poor work discipline, and lack of motivation (ibid.157). Some CEE researchers attributed low productivity in ex-socialist organisations to poor work ethics (cf. Cakrt 1993). More likely explanation would be the 'right to work' policy of full employment that produced an infamous picture of socialist organisation: -' we pretend that we work, they pretend that they pay us' (ibid.). The ambivalence of socialist work ethic is summarised as: - 'Work is for the Poles accepted but not experienced value' Sikorska (2002 in Jasinska-Kania and Maroda 2002: 43), interpreted as self-actualisation achieved by some, but with tedium of work insufficient in skill, volume and end-product for the rest. With work as construct of identity, and everyone's 'right to work', individual expectations from the socialist workplace were rather high:

the strong emphasis on conditions in the workplace (i.e., good atmosphere, support from supervisors, security and safety, generous salary)…(Nasierowski and Mikula 1998: 497).

Thus, identity construct through work was facilitated by a principle of social justice and embodied egalitarianism of the region. Empirical evidence from case studies in Chapter 5 supports this interpretation.

Socialist work system (Vlachoutsicos and Lawrence 1990) is another example of regional–trait-based value enacted on organisational level. The STU or 'structural task unit' was consensus-based, 'with all voicing opinions' (Michailova 2000: 107), and involved group decision-making in consecutive stages of: task setting, followed by a debate, and a bottom-up feedback, then another debate, ending with a top-down decision and implementation (Kozminski 1998: 157). Collectivism of STU is the opposite of managerial decision-making model in Western companies. Consensus-based group decision-making is 'grass-root' democracy (Camiah and Hollinshead 2003: 250), reminiscent of village assemblies in Russia, or of legislating in regional assemblies in Poland in the as-military-power period. Thus, socialist work ethics and STU system can be linked to collectivism and egalitarianism of the region – regional identity traits as shown in sub-sections 3.2.1 and 3.2.2.

Duality of values in societal and individual spheres originates from historical experience of annexed CEE countries (see sub-section 3.2.2). In the socialist system, duality of values meant different societal and personal values: - 'duality between the formal and the informal sphere of life' (Todeva 1999: 621). National traits such as patriotism and religion were present in personal values, separate from, and not expressed in work values. On an organisational level, duality of values, called by Kostera (1995) 'managerial hypocrisy' meant that on the surface,

managerial attitude was that of following the 'party line', and in reality – adapting a sceptical stance towards socialist ideology.

To sum up, socialist values with concepts of self-actualisation and collective decision-making, as representing egalitarianism, became reinforced (Danis and Parkhe 2002) as broadly matching regional and national traits. The exception is the 'positive freedom' concept of socialist state. The Polish 'freedom from' concept, I argue, is rather present in emerging neo-liberal values, as discussed in sub-section 3.2.2.

3.3.3 *Current values*

The post-1989 transition affected values on societal, personal and work levels (Sikorska 1999) to varying degrees. Societal and personal values appear to be of traditional profile, with work values of predominantly neo-liberal profile, as shown in turn.

This study's assumption is that societal attitudes to market economy are indicative of support for transition and of presence of neo-liberal values. In this respect, it follows CEE quantitative, questionnaire-based studies. These show societal attitudes as varied and transient (Jakubow 2000 in Olszewska 2000), with support for transition attributed to educational attainment (ibid.338) or to the level of material success achieved in market economy (Sikorska 1999 in Beskid 1999: 94). Examples of variation in attitudes are illustrated by two studies outlined below. The early-phase transition, questionnaire-based typology of Koralewicz and Ziolkowski (1990), divided sample population into three groups according to their orientation towards market economy: - individualistic/democratic; collectivist/authoritarian; and egoistic/demanding (Jakubow 2000 in Olszewska 2000: 338). In effect, individualism with support for

democracy - a Western value, appears as societal value in Poland. Another typology (Sikorska 1999 in Beskid 1999) proposes four types of transition participants. 'Successfuls' are 33% of the sample, 'Disappointed individualists' – 15%, 'Dependent collectivists' - 18%, and 'Withdrawn passives' – 34% (ibid.110). Success of transition in Poland, speculates Sikorska (ibid.), ultimately depends on evolving, or not, attitudes of two middle groups - 'Disappointed individualists' and 'Dependent collectivists'. On the one hand, both typologies show emergence of individualism linked to democracy. On the other hand, these co-exist with reinforced regional traits of collectivism and passivity. Thus, on societal level, emerging values appear in the elites, with societal majority retaining traditional values. However, values of the elites might be atypical (Todeva 1999), or transient as based on material success (Struzycki 2001: 223).

Perceived as negative in Russia, free market individualistic, materialistic and competitive values are rejected as 'not the Russian way' (Camiah and Hollinshead 2003: 251). Similarly in Poland, emerging value of materialism appears to be alien to Polish psyche. The term 'monetarisation of awareness' (Sikorska 1999 in Beskid 1999: 94), suggests that monetary values are applied to every sphere of life; and 'grounding of Polish soul' (Czapinski 1994 in Beskid 1999) could be interpreted as new values destroying national identity. Thus, emerging under external pressures (Kostova and Roth 2002) societal values communicated as unacceptable might not be internalised as personal values.

Traditional personal values are characteristic of Poland, according to the 2002 EVS (European Value Systems) survey (Jasinska-Kania and Maroda 2002: 16). Family life as priority (Skarzynska 1991 in ibid.497) indicates 'work to live' attitude shared with other CEE countries, and is explained by shared historical experience (see section 3.2). It is accompanied in Poland by strong religious beliefs, explained by historical experience with a 'defender of Christianity' role

(see sub-section 3.2.2). In contrast, Czech Republic shows atheist and pragmatic profile, and Hungary - materialistic profile (Jasinska-Kania and Maroda 2002: 16). High status given to material possessions is explained by high power distance (Yanouzas and Boukis 1993 in ibid.501), but could also be interpreted as desire for financial security, no longer available from the state. Regional fatalism and passivity traits are visible in 'short time forward horizons' with 'references to past' attitudes (Tarkowska 1992 in ibid.497), reinforced by experience of transition (see section 3.1). Thus, personal values are predominantly of traditional profile with weak evidence of neo-liberal values.

Work values in Poland show contradictions in values, that is - emerging values are combined with a non-materialistic profile. Some surveys on employee preference for motivational tools are indicative of current work values. Self-actualisation appears to be of primary importance (Jasinska-Kania and Maroda 2002), followed by non-company-specific training financed by the employer, and job security (Budzisz 2004 in Tomczonek 2004: 325). These could be interpreted as follows. Self-actualisation is found to be a part of post-materialistic value set of Inglehart and Baker (2001), but also, of socialist work ethic detailed in sub-section 3.3.2. Self-actualisation is indicative of individualism – an emerging value, while matching self-actualisation - socialist work ethic. However, self-actualisation appears to have a negative effect on neo-liberal flexibility, according to Ashwin and Popova (2006). Committed professionals in Russia, who see their occupation as a part of their identity, reject change of occupation, and use survival strategy of secondary employment in order to retain original professional skills:

Russians are able to endure change of almost any sort, sustained by their combination of resignation, fatalism, and ingenuity in the service of survival (Fey and Denison 2003: 698).

Non-company-specific training financed by employer (Budzisz 2004 in Tomczonek 2004: 325), producing transferable and not employer-dependent skills, is indicative of flexibility, or alternatively, of individualism – both emerging values. Individualism appears to embody the 'freedom from' concept – a Polish national trait that matches a neo-liberal 'negative freedom' concept (Hayek 1992). In contrast, job security would represent 'right to work' attitude based on social justice as socialist value, or egalitarianism as regional trait. Thus, work values show both traditional and emerging values with predominance of the latter, that might lead to unpredictable employee behaviours (Todeva 1999: 620).

To sum up, the emerging values of free market are to some extent evident in societal values, hardly in personal values, but mostly in work values. Chapter 5 that follows Chapter 4 will provide empirical evidence to support this analysis.

Conclusions

In the present chapter, I focused on external pressures – post-1989 transition, historical experience, and traditional and neo-liberal values. The chapter's aim was to assess to what extent external pressures (Oliver 1992) and historical experience affected forming of regional and national-identity-associated values. With reference to the chapter title, I conclude that on a societal level, local managers do not appear to be socialised to capitalism, but rather to social democracy. In effect, moderating factors (Kostova and Roth 2002) impede external pressures. Thus societal members, and in this study – local managers, are likely to have traditional, and not neo-liberal values. This conclusion was arrived at as the result of historical analysis, which is summarised as follows.

The post-1989 transition had some negative political, economic and societal outcomes. Subjective individual experience of transition both de-institutionalised

and reinforced traditional values of participants. Disillusionment with transition reinforced regional and national identity traits, with the former attributed to socialism. Another explanation from political history literature is of historical experience of CEE countries that developed non-Western traits. Regional traits then became reinforced in socialist period, as many concepts of socialism matched regional and national identity traits. Current values show traditional societal and personal values. Emerging neo-liberal values are predominantly a part of work values.

Next, Chapter 4 on methodology is followed by Chapter 5 on findings of the data analysis, then by Chapter 6 discussion that positions this study in relation to CEE transition, managerial learning and institutional literature.

4: Making order from chaos: methodology

Can the creative process be described and explained, particularly when one travels from data to theory and back? I do not perceive research to be divided into orderly stages, but rather a process of pursuing ideas with researcher immersed in confusion and frustration, in chaos of ideas and only sometimes enlightened with a glimpse of creative thought. The chapter attempts to convey how methodology had guided and structured this study.

In the present chapter I focus on details of research process in six sections: methodological approach, research design, sampling, developing access, data collection methods and data analysis. The chapter's aim is to give an account of how the research process was conducted and to justify my methodological choices. The first section shows how prior experience affected the research question and in turn, the qualitative nature of the study with an abductive approach, and subjective, as opposed to, objective ontology. The second section outlines the structure of the research design of multiple case studies, including topics of development and measurement of variables and of quality criteria. The third section shows how sampling was conducted with a purpose of answering the research question and avoiding bias. The two sub-sections detail: a) the sample of population that was obtained in a process of; b) company sampling. The fourth section on developing access deals with two topics in two sub-sections: - a) the complexities of studying companies abroad and, b) incorporating ethical practice into the research process. The fifth section describes how data collection methods were designed to answer the research question. Three sub-sections describe: interviews – the main method, observation, and documentation. The sixth section concerns data analysis and describes the grounding theory procedures (Strauss and Corbin 1998) I use to analyse cross-case themes.

4.1 Methodological approach

Different activities and emotions accompanied three years of my doctoral course. Aware that research findings in CEE transition quickly become obsolete, I was determined to complete the study on time. Exploring different ideas and literatures created ambiguity, replaced by uncertainty and frustration of the end-of-year seminars. Initially, peer review caused defensive reactions of blocking and denial. Gradually, observing how at seminars researchers asked for comments as a way of developing ideas made me view a role of critique in a different light. My confidence increased as I collected data. I was able to implement suggestions for improvement, and to defend my reasoning. In the next sub-section, I reflect on research experience as creative development dominating my life for over four years.

4.1.1 Research as personal experience

Over the first year, my major concern was the demands of a taught PhD course, with four modules requiring written assignments, and end-of-year assessments. At that time, I was also attempting to teach part-time and to do my own research. Initially resentful of taught modules as time-consuming, I soon realised that I needed to work on a level of theoretical abstract, and that the modules facilitated development of this ability. Guided by my supervisor, I set up three separate journals with personal, theoretical and methodological notes, and a fieldwork diary. I immersed myself in CEE transition literature, read widely relevant literatures, and followed different theoretical concepts. I experimented with interviewing, using a small opportunistic sample. I interviewed face-to-face, and by e-mail, with and without tape-recorder testing interview questions. I corresponded with my existing contacts developing access and setting up a pilot

study. I drafted a table of contents, an abstract, and references section. In the summer of my first year I conducted fieldwork that produced rich data and exciting findings. However, in the year 1 assessment, my theoretical approach was found to be 'economistic', and the conceptual framework needed to be modified.

The second year brought the changes in conceptual framework and the research design. The 'highs-and-lows' of fieldwork, with promises of access not kept, made me feel both powerless and determined. I went on fieldwork trips twice that year in six-monthly intervals, translating and filing the data I collected. Incremental and deliberate sampling helped to develop the robust theoretical framework. I wrote draft chapters of: literature review, background of research setting, and methodology. At that stage, my writing was descriptive, and structured by themes. Attending academic seminars and listening to other researchers' work reassured me that the others also suffered the pangs of creativity. I gradually narrowed the focus of the study aided by the data I collected. I found my PhD upgrade productive, as I was able to discuss the suggestions for improvement and to implement them. Some additional guidance on the structure of the thesis took me to the next stage – writing-up.

The third year found me free from taught-course commitments, and able to concentrate on structuring my argument. For guidance on structure, I looked at some PhD theses at the library and academic papers that I found a pleasure to read. I followed recommendations from textbooks on writing, and from relevant seminars I attended. I developed the chapter structure that I replicated in all chapters. I followed the latest journal articles in order to keep up with the developments in research on CEE transition. Thus, the tasks over three years evolved from data collection, via theorising, to structuring the thesis.

The next sub-section shows how prior business experience affected the drafting of the tentative research question, resonant with a qualitative methodological approach.

4.1.2 *Prior experience affects methodological approach*

The role of experience in research is captured by the Kolb's (1986) learning cycle as follows. The 'concrete experience' leads to the 'reflective observation', and is followed by the 'abstract conceptualisation' (Easterby-Smith et al. 1993: 104). In this study, two work assignments over a period of many years affected the research question addressed in this PhD research – consultancy on a joint venture (JV) project in Poland, and two teaching contracts in Eastern Europe. First, in 1989, I worked with a potential UK investor on an acquisition in Poland. Despite our best efforts, the prospective partner chose a Scandinavian company for no apparent reason. Second, between 2002 and 2003, I worked in Bucharest and Warsaw and observed that Western work practices appeared to be problematic for the students. The students – executives of multinational companies, were rather sceptical about ideas and values underlying some business concepts. These experiences are detailed in Chapter 1. Thus, 'concrete experience' and 'reflective observation' stages (Easterby-Smith et al. 1993: 104), lead to interest in study area of local employees and Western work practices.

Post-prior experience, the stage of 'abstract conceptualisation' (ibid.) of the research question lasted throughout almost three years of doctoral programme, with key ideas emerging from literature review and fieldwork-based data. From literature review I developed a link between managerial learning and behavioural/cognitive change. From fieldwork in FDI companies in Poland – a concept of variation in reactions to HRM practices. From sampling in a non-FDI company - a concept of values that provides explanation to variation in reactions.

Thus, broad research area of the 'reflective observation' (ibid.) stage was narrowed and the research question in this study is formulated as follows:

1. How do values and managerial learning affect local managers' reactions to transfer of Western HRM practices?

2. How far do local managers transfer new Western HRM practices in FDI and non-FDI companies?

The research question and the conceptual framework linking four constructs are detailed in Chapter 1 (sections 1.5 and 1.6).

The methodology of the study was also affected by prior experience, directing me towards qualitative, comparative, multiple case studies. I worked in different home-country FDI companies - similar to multiple case study situations, and had an opportunity to observe attitudes and behaviours of student-managers – similar to ethnographic observation, and discussed business concepts with students – the experience similar to interviewing. Figure 2 below shows how interactive cycle of the research process evolved.

Figure 2: Research process
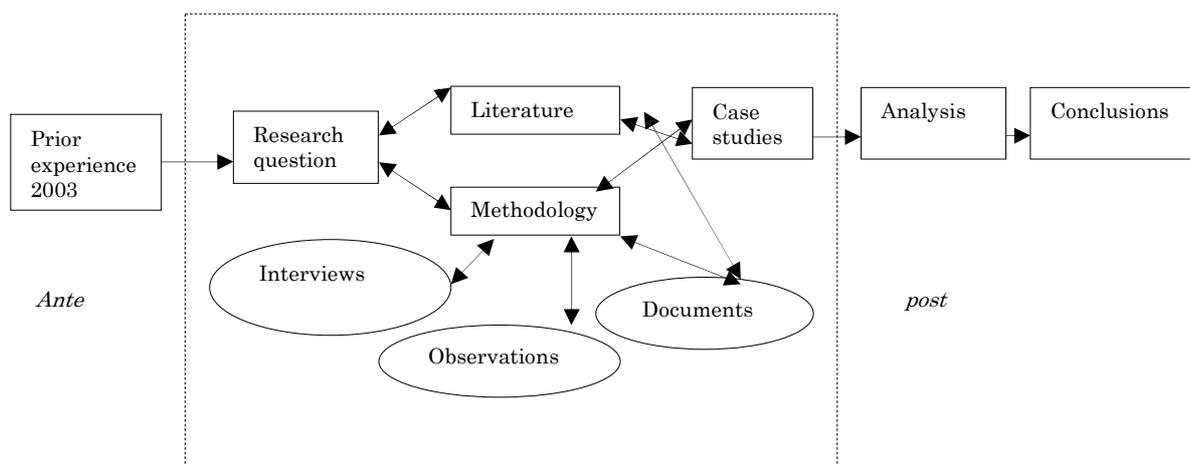
Figure 2 above illustrates prior experience contributing to forming the research question, developed in fieldwork and literature review process, with the research question affecting methodology. The bi-directional arrows of parallel literature review and methodology processes link case study data to the research question, leading to analysis and conclusions. Data collection methods are elaborated in the fifth section of this chapter.

The next sub-section describes how a qualitative approach was affected by my epistemological and ontological position.

4.1.3   *Epistemology and ontology*

At the philosophical level, derivation of knowledge is classified into a positivist mode with deductive reasoning and anti-positivist mode with inductive reasoning (Benton and Craib 2001). The concept of applying positivist epistemology to social science goes back to the founder of sociology - Auguste Comte, who maintained that methods used by natural sciences could establish social scientific knowledge (ibid. 24). For Comte, 'positive' meant scientific with dominant intellectual role assigned to empirical science (Honderich 1995: 675). The dominance of positivist epistemology in organisation science has been based, since the 1960s, on Kuhn's revolutionary concept of paradigm. In *The Structure of Scientific Revolutions*, Kuhn's model of paradigm is a 'cause-and-effect' structure, or a 'problem-solution' theory (Okasha 2002: 81). In natural sciences, the use of dominant paradigm called by Kuhn a 'puzzle solving' has been 'immensely effective' (Kuhn 1970: 165-166). However, Kuhn also admits that:

In history, philosophy and the social sciences […] the student […] is constantly made aware of the immense variety of problems [and] has constantly before him a number of competing and incommensurable solutions (ibid).

Distant objectivity of positivist mode with deductive reasoning provides measurement of physical, and of social phenomena, but not understanding of the latter. Social science calls for other than positivist paradigm, according to Bauman (1978), because:

Social phenomena, since they are ultimately acts of men and women, demand to be understood in a different way […]. To understand a human act, therefore, was to grasp the meaning with which the actor's intention invested it; a task, […] essentially different from that of natural science (ibid.12).

Other paradigms are constructed to provide understanding of social phenomena, leading to non-positivist epistemology with 'theoretical and methodological openness and pluralism' (Pfeffer 1993: 618), and the extreme of 'anything goes attitude' (ibid.619). Thus, 'anything goes' phrase becomes the acknowledgement of new social science paradigms, and of management research – as a multi-paradigm discipline (Slattery 2003: 154). The phenomenological paradigm, that is, relating to phenomenon, is based on inductive reasoning. The key assumption of phenomenological, interpretive paradigm, according to Patton (1990 after Husserl 1913,1962) is that:

There is no separate (or objective) reality for people. There is only what they know their experience is and means. The subjective experience incorporates the objective thing and a person's reality (ibid.69).

In practice, positivist and non-positivist paradigms represent two extremes. According to Miles and Huberman (1994), 'induction and deduction are dialectical, rather than mutually exclusive research procedures' (ibid.155). In contrast with polar opposites of deductive and inductive logic, this study adopts an abductive reasoning (Peirce 1979 in Coffey and Atkinson 1996) approach to generate new ideas (Kelle 1995 in ibid.156). In line with this approach, the empirical part of the research project is central in generating ideas, that is, it starts with identifying a phenomenon at the 'prior experience stage', as elaborated in Chapter 1, and at the pilot study stage described in section 4.2. It then attempts to relate it to broader concepts in the literature, as well as to literature from other disciplines. In

qualitative, fieldwork-based study 'interpretation moves from evidence to ideas and theory, then back again' (Oakley 2001 in Bryman and Burgess 2001: 32). Thus, it is not purely deductive in a sense of empirical data being used to test existing theories, or purely inductive in a sense of generalising on the basis of accumulation of data and cases. In line with Okasha's (2002) statement that 'theory forming uses deductive and inductive inferences' (ibid.131); this study consists of a deductive part that is based on the literature and a pilot study; with study cases creating inductive understanding.

A qualitative study by being a 'mixture of the rational, explorative and intuitive' (Ghauri et al. 1995: 84), is able to 'include a person's experience in organisations' (Strauss and Corbin 1990 in ibid.95) allowing the researcher to reflect on the 'understanding of the employee's lived experience of the phenomenon' (Marshall and Rossman 1995: 39), with an interpretive broadly phenomenological epistemological position.

The nature of reality in a sense of ontological objectivity or subjectivity in qualitative research is frequently debated. Based on the assumption of qualitative enquiry that 'data represents perspective rather than absolute truth' (Patton 1990: 475), non-positivist approach is that ontology is subjective, because 'Objectivity is a Chimera' (Lincoln and Guba 2000 in Denzin and Lincoln 2000: 181). The position of this study might be described as subjective, as 'meaning is in the language' (Kincheloe and McLaren in ibid.300). It could also be described as realist, because: 'If men define situations as real they are real in their consequences' (Thomas 1949: 301 in Marshall and Rossman 1995: 41). It could be called constructionist, because of having to construct different interpretations of perceptions (Easterby-Smith and Malina 1999: 6). It could be also called reflective, as individuals construct the reality of political and social relationships (Alvesson

2003: 247). It could also be described as naturalistic, in a sense of understanding 'social reality as reality is', as it 'provides rich descriptions of people and interactions in naturalistic setting' (Gubrium and Holstein 1997 in Bryman 2004). Thus, ontological subjectivity of this study provides rich data and deep understanding by being realist, constructionist, reflective and naturalistic.

Other considerations

Some additional considerations supported my decision to adopt qualitative study methods, and these are: first - an attempt to reflect on wider-than-business interests, second – the personal belief system, last - the limitations of a single researcher working on the PhD project.

First, a new turn in management research calls for new, non-positivist paradigms that would positively impact on business ethics (Ghoshal 2005) and reflect societal rather than business interests in HRM (Paauwe and Richardson 2001: 1186). The CEE transition literature is mostly dominated by quantitative studies, with questionnaire and survey-based research, and qualitative case study method rather under-represented. Comparative 'cross national […] studies are a paramount goal of the social sciences' (Kiecolt and Nathan 1985: 51), and in the area of CEE workplace transformation and transfer of Western HRM practices Weinstein and Obloj (2002: 659) argue that:

[There is a] need to understand how such policies might shape firm-level HRM practices and, more importantly, how these practices impact on firm performance and the economic welfare of the multiple stakeholders of firms.'

Second, the researcher's personal belief system is humanistic, meaning 'closer to humanities than science' (Kvale 1996: 11), but also in a sense of helping to create

a humanistic organisation with work practices reflecting business ethics, higher needs of employees, and wider societal interests. Lastly, a practical aspect of budgetary and time constraints of a single researchers working on a PhD project limits the scope of this research. Thus, the qualitative project here reflects wider-than-business interests, and addresses the 'whose interests are served' question (Kincheloe and McLaren 2000 in Denzin and Lincoln 2000: 303), while contributing to understanding of the phenomenon.

To sum up, the experience of research brought reflections on creativity as contributing to formulating the research question. In turn, a prior experience-based, tentatively drafted research question determined a qualitative approach, affected by conscious epistemological and ontological assumptions. The next section describes the research design and outlines reasoning that guided sampling decisions.

4.2   Research design

Designing the research project according to criteria of methodological rigour of applying systematic methods clearly and soundly (Hussey and Hussey 1997: 18)), involved planning and implementing decisions on a case study sample (McNeill 1990: 14) within constraints of available resources. This cross-cultural study included data collection abroad with fieldwork trips, working in two languages, accessing primary sources – individuals in companies, and secondary sources – documents. It required a 'degree of cultural knowledge and expertise' (Brewster et al. 1996: 587) to minimise a possibility of a biased, ethnocentric approach (ibid. 599). In this study, the researcher used bi-lingual skills and knowledge of the region, minimising bias of Western cultural framework. Also, a possibility of 'going native', that is, of over-identification needed to be minimised. Thus, I decided not

to sample companies in which I previously worked, but to utilise existing contacts for introductions.

The sampling of population and companies has to address research question with appropriate data collection methods that fulfil quality criteria of validity and reliability, (Knight 2002: 138) and of triangulation (Yin 2003: 97). This design, with some overlap, broadly followed stages of: drafting a research question, selecting a pilot site, collecting and interpreting data, developing a conceptual framework, re-framing the research question, collecting data from other sites, data analysis and writing-up. Decisions taken on sampling, and ethical practice, data collection and analysis are detailed in further sections of this chapter.

Fieldwork - the basis for multiple case study method, provides an opportunity to interview participants in natural surroundings, thus adding another data collection method - observations. Fieldwork is considered to facilitate a research design (Easterby-Smith et al. 1993: 37). This study involved three fieldwork trips abroad over two years in half-yearly intervals, each two-week trip dedicated to studying one company, with tasks of interviewing and non-participant observations in company offices; and literature review and document analysis in the local libraries. My concern for feasibility was managed by fitting in different types of research work into fieldwork trips. Each trip included introductory interviews with prospective case companies, and follow-up interviews of earlier cases. Some evenings were taken up with meetings with existing contacts.

Adjustments to the research design and changes to a sample of companies followed the fieldwork-based pilot study. The purpose of the pilot is to pre-test research method, and in qualitative research is to 'identify and rectify logical and analytical difficulties in the research design, ambiguous questions, incorrect routing' (Scott and Marshall 2003: 497). More importantly, the pilot or the first

case is 'to probe emergent themes' (Eisenhardt 1989: 539). My pilot fieldwork confirmed the effectiveness of data collection methods – interviews, observation and documentation. The pilot company was retained as Case 1, but the themes that emerged from interviews prompted me to modify selection criteria and seek new companies to complete the sample. The pilot study identified local managers as individual-level unit of analysis.

A case study, considered an 'integrated system' (Stake 2000 in Denzin and Lincoln 2000: 435), and ethnographic method (McNeill 1990: 87) is selected for this study to provide 'a holistic perspective that describes the interdependence and relatedness of complex phenomena' (Patton 1990: 424), and in this study – actors' transfer, or non-transfer, of HRM practices that is central to the conceptual model detailed in Chapter 1. It allows me to utilise case study features that follow. First - wealth of contextual detail - 'physical reality, economic and political context, historical background, other cases and case informants' (Stake 2000 in Denzin and Lincoln 2000: 438-9). Next – when 'fresh perspective is needed' Eisenhardt (1989: 549) – in this study - on transfer of Western HRM practices. Third - ' to understand what is not happening as well as what is obvious' (Weick 1976 in Van Maanen 1984: 150). Here, negative evidence from case studies suggests that transfer of practices is not happening. Next – specific data (Eisenhardt 1989: 536) reflects the 'is, may be, could be' positions (Schofield 1990 in Kvale 1996: 234). Here, three case companies illustrate, in a sense, three different stages of transfer of Western HRM practices. Thus, features of case study design allow structural flexibility while enfolding complex data.

The data analysis technique I use is based on grounded theory approach (Strauss and Corbin 1998) with data manually processed and coded into descriptive level and abstract level categories (Riley 2000: 59), with core categories arranged into a typology matrix. Being in agreement with statement of Kvale (1996) that:

'Computer software could further a neglect of the contextual base of interview statements in the narratives of lived conversations' (ibid.174), I followed the procedures of manual coding, labelling, and interpretations, detailed in the last section of this chapter. Next, I describe how variables were developed and measured.

Variables development and measurement

An idea of reactions to Western management concepts originated in prior experience, as elaborated in Chapter 1. This idea was verified by CEE literature as a concept of reactions, and modified in pilot fieldwork for this PhD thesis a few years later becoming a variable of variation in reactions. The term 'variable' is used in a sense of variables being concepts that 'vary in amount and kind' and are 'measurable, tangible, or at least observable' (Grix 2001: 63). A concept of modernising transfer in CEE literature was modified by the data of the pilot study that showed that local managers attempted to modify or modified practices in transfer process. An idea of Western management concepts was narrowed to HRM practices from the literature review, and refined in the pilot fieldwork that followed. A concept of socialist managers from CEE literature was re-conceptualised into a societal/personal/work values construct that contains transition and pre-transition experience; and historical experience of the country and the region by accessing other literatures - political history, sociology and philosophy. A concept of values was then verified by studying the data from a non-FDI case company. Thus, the concepts of the study were developed using inductive analysis (Oakley 2001 in Bryman and Burgess 2001: 90) and the conceptual framework of integrated and conceptually developed variables/categories empirically based and tested (Miles and Huberman 1994: 88).

Measuring a concept or a variable is 'a way of making assertions about its quality or intensity' (Tesch 1995: 9). Measuring attitudes, behaviours and feelings presents problems (Hayes 1993: 111). This study adopted two measuring techniques – a scale and interview (ibid) or account/content/text analysis. The aim of a scale was to assess strength or persistence in order to obtain a systematic pattern (cf. Oakley 2001 in Bryman and Burgess 2001; Silverman 2000). The scale was developed from the data in order to measure persistence of variable/category. I use counting instances of items being mentioned in interviews for developing of a rating scale (Miles and Huberman 1994: 253) of strong, moderate and weak evidence for variable/category to aid analysis. The scale took two polar numbers: between 1 and 2 (1-2) as weak evidence and more than 15 (>15) as very strong evidence. Within these numbers, less than 5 (<5) becomes moderate evidence, with over 5 (>5) strong and over 10 (>10) strong plus evidence. Although qualitative data is not expressed in numbers, assessing persistence gives a clue to systematic patterns (ibid).

The aim of the second measuring technique - interview analysis was to discover meanings (Hayes 1993: 111). The transcribed interview becomes text (Silverman 2000: 823) in which the researcher looks for stories, hypothesis, and judgements (Knight 2000: 182) and in which major themes and metaphors are identified. Based on assumption of Gergen and Gergen (1991 in Alvesson 2003: 249) that language is 'solid base for science', 'careful examination of emotive words provides indication of underlying attitudes' (Eiser 1983 in Hayes 1993: 111). In text analysis, different meanings produce richness of the data (Kvale 1996: 287). According to Hayes (1993), account analysis 'is still being developed' and 'there are relatively few well-established procedures in this area' (ibid.111). Thus, in this study, interview analysis attempted to aggregate all data on the same theme describing content, link with others and providing thick descriptions (Tesch 1995: 90).

Quality criteria

Quality criteria of validity, reliability, generalisability and triangulation (Knight 2002: 138), add to the robustness of the research design (Yin 2003: 101). This study had attempted to meet validity, reliability and triangulation criteria, but not of generalisability - disputed or excluded in qualitative research (Yin 2003). The validity criterion is being met by transparent methods of enquiry (ibid.133) – semi-structured interviews, observations and document analysis replicated across three sites including the pilot study (ibid.141). The criterion of reliability is maintained by using multiple theories that are detailed in Chapter 1 section on conceptual framework; and multiple sources of 32 interview participants of 3 case study companies (ibid.138). Another quality criterion – triangulation, defined by Yin (2003) as 'multiple sources of evidence' that develops 'converging lines of enquiry' (ibid.97), is needed for objectivity (Marshall and Rossman 1995: 80). In addition, triangulation of data facilitates 'thick description' (Grix 2001: 34). The data in this study uses triangulation of qualitative data sources (Patton 1990: 467), for example comparing observation and interview data, and theory triangulation (ibid.) by using the conceptual framework build from two institutional and one managerial learning theory (in Chapter 1).

Generalisability as quality criteria in management research is disputed as difficult to achieve because of its behavioural aspect and associated with it subjectivity (Sekaran 1992: 13). Complexity of human behaviours prompts a view that 'social researchers cannot assume that people are identical on any dimension' and that 'behaviour can only be described […] in terms of probabilities' (Knight 2002: 43), [it] is very sensitive to contingencies' (ibid.147). However, some qualitative case study researchers believe that even a single case study is a 'step towards generalisation' (Stake 2000 in Denzin and Lincoln 2000: 439). A stronger claim is being made for comparative multiple case design, that according to

Schofield (1999) increases generalisability by defining and selecting cases (in Kvale 1996: 234). A claim to 'enhanced generalizability' of Eisenhardt's approach of case study design applies to cases between 4 and 10 (Eisenhardt 1989: 545). This study does not claim generalisability in a sense of 'generalization' as 'a good instance of many others' (Miles and Huberman 1994: 36) for several reasons. Firstly, the number of cases is small. Secondly, this study has limitations of access, population sampling and self-reporting of interview participants that the researcher attempted to reduce, as elaborated in further sections of this chapter.

To sum up, the research design involved making conscious decisions on sampling, methods, and procedures within constraints of available resources. A pilot study tested data collection methods and revealed emergent themes. A multiple, fieldwork-based case study design provided structural flexibility for enfolding complex data. The design attempted to avoid two biases of cross-cultural studies – ethnocentrism, and its opposite – 'going native'. Also, it focused on quality of the research design by applying validity, reliability and triangulation. Data analysis used a grounded theory technique detailed in the last section (4.6) of this chapter.

The next section is arranged in reverse order to the procedures I followed - sampling of population and sampling of companies. I start with sample population as a focus of the study, drawn from case study companies, which I outline in the second sub-section.

4.3   Sampling

Sampling in multiple case study method concerns making decisions on companies and arguably, on participants, with relevance to the research question as main selection criterion, while balancing restrictions of companies on participants and

information (McNeill 1990: 71). With controlled access to participants, sampling of population is more likely to be representative than deliberate. In contrast, deliberate sampling of companies assists in developing the conceptual framework, and narrowing and focusing the research question. In this study, company sampling was theoretical, of a kind 'that focuses efforts on theoretically useful cases' (Eisenhardt 1989: 533), rather incremental and systematic, as shown in the next sub-section.

4.3.1   Sample population

Population sampling is a second part of multi-stage strategy (McNeill 1990: 38) employed in this research project. Having drawn companies at stage one, described in the next sub-section, I designed selection criteria for employee sampling. Controlled by key informants, employee sampling is a part of granting access, and a sampling restriction (Knight 2002: 162). In this study, population sample controlled by key informants is the study's limitation. Key informants made deliberate choices of interview participants for the reason of politics - to create a desired image of their organisations, as noted in the literature on methodology: 'in many countries research in areas likely to illuminate performance is 'political' (Punch 1988: 20). However, the study's population sampling can be described as representative of case companies' employees, as key informants in case study companies co-operated in using specific selection criteria.

The selection criteria asked for local participants, that is, Polish nationals, employed in managerial capacity in different departments, in senior or line management or team leadership roles, with maximum variation in demographics - different gender, age and work experience. In addition, they were to have experience of Western HRM practices, either as policy-makers or implementers. Two opportunistic participants were added to the sample to check understanding

and to confirm assumptions. In data collection, Eisenhardt (1989) argues, researchers have 'freedom to make adjustments' to the sample (ibid.539). The first opportunistic participant – a former employee of Case 1 and future employee of Case 3 was interviewed to deliver an alternative perspective also called the 'worker's voice' (Marchington and Grugulis 2000: 1119). Unimpeded by loyalty to employer, the ex-employee was interviewed in out-of-company setting. The second opportunistic participant was a foreign manager who offered to be interviewed and his contribution was an alternative perspective on local values.

Thirty-two participants in total were interviewed (in Appendix A). Sub-samples from 3 companies are balanced in size with 10 participants from Case 1, Case 2, and Case 3, with 2 additional opportunistic participants from Case 1. 59% of interview participants were senior managers, providing quality information in elite interviews (Marshall and Rossman 1996: 84). To minimise bias of 'glossing' (Boje 1991: 117), discussed in sub-section on interviews, some senior managers were interviewed twice. The sample population comprised of men and women in equal proportion with 37% of participants in 25-35 age group, and 25% of participants with more than 20 years of work experience. Also, 59% of managers were less than 2 years in their job. Qualifications of all participants were of post-graduate level, with 2 PhD and 4 MBA degrees. The participants were employed in the following departments: accounting, auditing, taxation, treasury, operations, securities, corporate, retail, HR, and IT. 56% of managers were economists, and the remainder with degrees in banking, finance, law, engineering and computing.

Three fieldwork trips, between 2006 and 2007, facilitated one-to-one interviews with all participants. Interviews lasting between 60 and 90 minutes each were held in various company offices in Poland. In Case 1 company, I interviewed in 3 different locations, in Case 2 – in 2 offices based in 2 cities, and in Case 3 – in 2 buildings. The sampling procedure attempted to minimise bias by the following

procedures: a) same-size sub-samples of participants drawn from 3 companies; b) every sub-sample drawn at the same time and following the same procedure using the same methods in different settings (Marshall and Rossman 1995: 143); c) every sub-sample representative of employee demographics in a given company, and d) every sub-sample of informed participants, that is, with knowledge and the experience of Western HRM practices.

To sum up, the sampling of population in the study focused on answering the research question from informed participants of same-size, comparable sub-samples. I attempted to overcome the population sampling controlled by key informants limitation by adding specific participants, check understanding of the phenomena, or confirm or disconfirm assumptions. The next sub-section outlines how incremental sampling of companies was conducted.

4.3.2 Sample companies

Company sampling took place in stages and over a period of one year. It evolved from the initial sample to the completed sample that comprises 2 FDI companies and 1 non-FDI company, with characteristics as shown below:

Table 1: Profile of sample companies

Case	Employees	Ownership	Initial JV date	E/sample	Fieldwork date
1	<6000	FDI -80%	2001	12	6/06, 1/07, 7/07
2	7000>	FDI –70%	1994	10	12/06
3	900>	non-FDI –100%	1989	10	1/07, 7/07

Source: study data 2005-2007

FDI – foreign direct investment
JV- joint venture
E/sample – employee sample

The initial case study sample was of 4 companies of different sizes, industries and nationalities of home-country multinationals - in this study called FDI companies, and was designed to answer initially drafted, tentative research question. My assumption, based on culture approach in transfer literature (cf. Ferner and Quintanilla 2001) was that FDI companies apply home-country-based model of HRM practices in subsidiary companies. In effect, national culture of FDI companies would become a moderating variable in implementing Western HRM practices. However, pilot case interviews disconfirmed this assumption and revealed emergent themes that were industry-specific. The financial services industry in Poland (in Chapter 2, sub-section 2.1.3) is characterised by economic dynamism, technical and work-practices-related innovation, and commercial competitiveness. The industry has high salaries, recruits selectively and provides intensive training programmes. In effect, employees with financial skills are in great demand in a dynamic marketplace.

Pilot company - future Case 1, was implementing previously abandoned 'hard' HRM tool, at the time of the study, because of the increased share of equity by the foreign partners. Data from interviews provided evidence on variation in reactions of local managers to Western HRM practices. Thus, the case represented an early phase of implementation of HRM practice, and I retained it as my Case 1. Data from interviews and some CEE literature led me to formulate a new assumption that I wanted to test in a similar company, namely: - large FDI companies apply hard 'HRM' approach in Poland (cf. Fryzel 1999 in Wawak 1999). I used 'lateral replication' strategy, that is, of adding another case 'with outcomes that produced predicted pattern identified in Case 1' (Yin 2003: 117). The 'attributes of interest' (Stake 2000 in Denzin and Lincoln 2000: 447), that is, selection criteria for the next case became: - same-size, same-industry, high foreign equity ownership, and bi-national joint venture, merger or acquisition. Helped with access, I was able to sample the next case on schedule.

Case 2 company fulfilled the selection criteria, while representing a 'polar type' in implementation of HRM practices (Eisenhardt 1989: 537). The HRM tool was softer than in Case 1 and it was used for over 3 years. Also, the HRM tool was implemented in conjunction with an intensive training programme. The context was an acquisition of another company in the industry and a substantial workforce reduction. Data from interviews showed more homogenous employee attitudes, and less variation in reactions to HRM practices. At that stage, I had to reflect on the research question and the next sample case in relation to emergent themes. The decision not to sample more FDI companies was taken for two reasons. First - two introductory interviews in financial-sector FDI companies suggested that I was likely to duplicate data already obtained. Second –an ex-employee from pilot/Case 1 company told me about her new workplace – a non-FDI company. Thus, I had an opportunity to sample 'extreme situations and polar types in which the process of interest is "transparently observable"' (Pettigrew 1988 in Eisenhardt 1989: 537), using most selection criteria. After an introductory interview, I was able to reformulate and refine the research question and the conceptual framework.

Case 3 of non-FDI company is an example of a 'polar type' (Eisenhardt 1989: 537), with regard to domestic and not foreign capital. It is a non-FDI company unlike Case 1 and 2 – joint ventures with majority foreign capital. It competes in financial services market with dominant FDI companies by focusing on niche customers, modernising technology, and using Western HRM practices. At the time of the study, the company was in a process of re-structuring. Smaller in size than two FDI companies, the case is comparable for the purpose of the study as the largest non-FDI in financial services. More importantly, Case 3 brought 'fresh perspective' (ibid.549) to the research question. Data from interviews showed a homogenous-attitudes employee sample, which contrasted with the homogeneity of Case 2 employees. The context was a second attempt to implement 'soft' HRM

practice, unsuccessful 2 years ago. The practice was modified, and managers supported by 'light' training approach, had discretion and autonomy in using it. Data from interviews showed less variation in reactions to HRM practice. In effect, I found that Case 3 completed the sample, as I reached a 'theoretical saturation' stage (Patten 1990: 169), that is, found data sufficient to answer the research question and to finalise the conceptual framework. In agreement with Eisenhardt (1989) that 'theoretical saturation often combines with pragmatic considerations of time and money' (ibid.545), I was able to adhere to the research schedule.

To sum up, the aim of deliberate company sampling was to answer the research question. In this study, company sampling was theoretical, systematic and following emergent themes, with the research question re-formulated and the conceptual framework re-examined after data collection from each case.

The next section concerns the topics of a) developing access using; b) ethical practice in research. The former notes specific concerns of physical access (Saunders et al. 2000: 155) for researcher and case companies in a context of cross-cultural study. The latter reflects on contradictions in applying practice of validating data by participants, and ethical practice of avoiding stressful situations for participants in organisations.

4.4   Developing access to case companies

Fieldwork-based multiple-case study requires personal entry to company offices in order to interview respondents. Two types of concerns were noted when developing access – cross-cultural, and nature of qualitative enquiry. First, access to companies located abroad involves planning ahead for meetings that require long notice. The researcher is concerned with feasibility of the study that involves

travel abroad and uncertainties of physical access. Companies might have commercial confidentiality concerns when approached by foreign individuals with unknown credentials. Second, difficulties of qualitative enquiry are noted in literature. Management researchers studying companies report problems in obtaining access, as private companies belong to 'groups [that] have the power to refuse access' (McNeill 1990: 71). Access granted is subject to restrictions, like sampling (Knight 2002: 162); the scope of enquiry (McNeill 1990: 76); and the time allowed (Graf 2004: 1138). CEE researchers (cf. Balaton 2004 in Clark and Michailova 2004; Nojonen 2004 in ibid.) describe how organisations seek to restrict access to information perceived as confidential or damaging to their image. In effect, suitable respondents are selected, and interview topics agreed beforehand. The next sub-section describes how physical, restricted access was obtained in this study.

4.4.1   Physical access

Preparatory work and discussions with existing contacts prompted me to pursue two strategies for physical access. First – direct approach that is similar to prospecting for sales, and second – using existing contacts. My subsequent experience showed that direct contact was effective when supported by recommendation from existing contact. Second – existing contact needed to be senior manager to make or to influence access decision. In this study, existing contacts were able to advise, provide information, and permission to use their name as reference. In effect, access to Case 1 and Case 3 was developed over 3 and 4 months respectively, while access to Case 2 arranged through a senior manager achieved an instant 'yes' decision.

The direct approach strategy was preceded by some preparations. I wrote an access letter and an interview guide that I tested on opportunistic respondents.

The letter was bi-lingual - in English and in Polish (in Appendix B), and outlined my PhD research project and stressed the benefits of a free-of-charge management report I would write. Next, I obtained a list of 8 companies with addresses and phone numbers from an existing contact in Poland. In January 2006, I approached 8 companies allowing 6 months for obtaining access. The procedure was as follows: phone calls to 8 companies asking for names of their HR directors; sending letters to HR directors; follow-up phone calls asking for a meeting. Only 3 companies expressed cautious interest and requested further information.

The company that made most objections - future Case 1 - surprised me by declaring an interest in the study, subject to certain conditions. In a follow-up conversation with an HR director, I explained my credentials, and prior knowledge of the company, and was requested to send my CV and an abstract of the research project. After 2 months, I was emailed by an HR department nominee – a key informant, with the following conditions for access: - Employees would be selected according to my selection criteria. I would have to sign a confidentiality agreement. I would not be able to tape-record, but could take notes. Some internal documents would be available to reference, but not to photocopy, or to take from the office. I would have to re-phrase my interview questions, as some were too direct. I agreed to comply and proceeded to re-write interview questions. Thus, restricted and conditional access for personal entry was granted and the company became a pilot and Case 1.

The first fieldwork trip showed that interviews were time-restricted and opportunities for observations limited by being escorted around the premises. I interviewed senior managers in their own offices, and other managers in a corridor outside the HR office. I was rarely unaccompanied, but on occasions, I was able to make opportunistic observations. I received hospitality from senior managers, and ambivalent treatment from the key informant. Focusing on

fostering goodwill (Saunders et al. 2000: 115), I adopted a passive stance of a 'naïve' researcher. Vignette 2 below describes my first day of fieldwork.

Vignette 2: From fieldwork diary

The key informant marched me up the stairs to the first floor HR office, and I felt like a job applicant being tested for stamina. Looking at the interview schedule, I realised that there were no gaps between interviews, which meant that I had no extra time beyond 60 minutes per person. Also, I was to be accompanied from office to office. I was given a guest pass, collected every morning and handed back to the receptionist when I finished. This allowed me to open internal doors, not really necessary as I was normally being escorted. That afternoon, I was left to find my way to the 8th floor office of the next interviewee. Being unescorted gave me an opportunity to observe spacious office facilities, and to chat with my interviewee's team members. Coincidently, I noticed a wall photograph of my existing contact and the ex-manager of the company, being awarded a national industry award a few years earlier. I was soon found, and following this incident the key informant suggested conducting non-senior manager interviews in the meeting area outside the HR office to save time.

Source: Fieldwork diary June 2006

During a telephone interview, I was asked about my research project and discussed how the company matched selection criteria. The arrangements for fieldwork were made and the company became Case 2. The third approach took the longest – between two and three months, producing negative responses. A Scandinavian company known for humanistic HRM approach said: 'no time for interviews' (3/10/06), and a US world-famous industry leader: - 'our company does not participate in this kind of research' (30/8/06). Thus, using direct access strategy would require a long time (Easterby-Smith et al. 1993 in Saunders et al. 2000: 119), affecting feasibility of the study.

Reflecting on access strategies, I concluded that a student-researcher status arranged via HR department was most effective. Unlike the guest-treatment in Case 2 that made me feel like a visitor on her best behaviour, playing an absent-minded student-researcher role in other companies facilitated 'cognitive access' (Saunders et al. 2000: 115), minimising, to some extent, 'glossing' (Weick 1981) detailed in the next section on data collection methods.

To sum up, developing access to companies involved a learning experience and use of different access strategies. Access restrictions may affect quality of data collected, arguably balanced by researcher's skills. Application of ethical practice was present throughout the research process, as shown in the next sub-section.

4.4.2   Ethical practice

Ethical guidelines of qualitative research and their application in access, data collection and reporting were built into the research design. The design considered the ways of anonymising company and participants' data, collecting only necessary data, and withholding sensitive data from reporting in the interests of company and participants. Particular attention was given to individual participants as 'researchers have a moral duty to improve situations' (Knight 2002: 143). Confidentiality was applied on every occasion, even if the researcher was asked questions about other companies, or about other participants in the study. Then, general and opaque replies were given. Thus, sample companies and participants were approached on the principle of voluntary participation, respect for privacy, confidentiality and anonymity.

Voluntary participation or 'informed consent' (Bailey 1996: 15) in the research project for companies and employees guided my initial approach. For companies, a letter inviting to participate in the research project (in Appendix B) stressed confidentiality of information provided. Case companies' restrictions were accepted on: a time limit on interviews, no permission for tape-recording, and a limit to personal and other data. For participants, permission to interview was internally sought by key informant, and obtained in writing. Time for interviews was arranged at interview participants' convenience.

Confidentiality and anonymity practice applied at data collection stage. Procedures for collection and reporting data were designed to eliminate a probability of causing participants undesirable consequences (Kvale 1996: 130). In interviews, briefing and de-briefing of participants on confidentiality concerns was inbuilt into the interview guide (in Appendix C). In observations, that were opportunistic and unobtrusive, notes were taken on office facilities and participants' clothing and behaviours. Documents accessed were either restricted – internal, and did not contain personal information, or publicly accessible – external. Data collected was not shared either with management or other participants. Anonymised to the extent of company, or individual being unrecognisable (ibid.), written reports data was also protected.

Respect for privacy was shown in phrasing of interview questions as neutral and non-intrusive (ibid.88), with no effect on participant's self-image (Sekaran 1992: 125). Read and accepted by participants prior to interviews, questions were later explained or clarified.

Post-interview data validation procedure, such as 'member validation' (Seale 1999: 61), or data verification (Bailey 1996: 16) was not used in this study. Data verification recommends discussing written interview statements with participants. However, some CEE researchers find that organisations in transition to be sensitive and low-trust (Nojonen 2004 in Clark and Michailova 2004; Soulsby 2004 in ibid.). In the study from Hungary, Balaton (2004 in Clark and Michailova 2004) describes his use of post-interview data validation. After giving the draft of case study for approval by managers, he found that managers removed statements they regarded as giving negative impression of organisation (ibid: 108). In this study, in all three case companies I acted on advice of the existing contact to reject the procedure on ethical grounds of probable harm of stress and confusion for participants (Kvale 1996: 130). In addition, after having interview questions

approved by key informant, I was apprehensive about data I collected being screened, questioned and perhaps removed. Instead, verbal and informal feedback (Patton 1990: 267) was given to a decision-maker in each case company, prior to providing a management report. Including and comparing three case companies in a conversational, follow-up interview, informal feedback (ibid.335) focused on practices and not employee reactions, thus omitting confidential data.

The anonymity principle was retained in a management report compiled for the 3 case companies. Written in English, it contains findings on HRM practices in FDI and non-FDI companies. The report excludes the private, identifiable data of participants and companies. This PhD thesis contains quotations from employees as illustrations of concepts. Translated into English, with source of language anonymised, as for example, 'employee 3/10', quotations conform to recommendations of 'loyal written transcription' (Kvale 1996: 111), while not being identifiable.

To sum up, ethical practice concerning companies and individuals was applied at access, data collection and reporting stages of the project. Ethical practice concerned voluntary participation, respect for privacy, confidentiality and anonymity. The researcher complied with restrictions on access imposed by case companies.

In the next section, I describe how data was collected in three sub-sections using, first – interviews, second – observations, third – documents. Analysis of data thus collected is discussed in the last section of this chapter.

4.5   Data collection methods

The choice of data collection methods has been guided by the research question
and the researcher's intention to produce 'holistic description of events and
behaviours' (Marshall and Rossman 1996: 78). The methods used here are mainly
interviews conducted in the field, complemented by observations and
documentation analysis to achieve triangulation. Triangulation - an analogy with
navigating instruments, 'generates multiple perspectives' (Seale 1999: 61), and its
use is outlined in sub-sections 4.5.2 and 4.5.3.

In the next sub-section, I discuss topics of interview as method, interview content
– questions, procedure, recording of data, and a possible bias of researcher and
participant responses.

4.5.1   Interviews

The qualitative interview as a research method is ambiguous, with language of
individual being evidence for examination of the phenomenon. Interview - defined
as a 'blend of social, political, psychological and discursive processes' (Alvesson
2003: 27), is regarded as a 'universal mode of systematic enquiry' (Holstein and
Gubruim 1995 in Fontana and Frey 2000: 646). The key assumption of interview
as research method is that 'perspective of others is meaningful, knowable, and
able to be made explicit' (Patton 1990: 278). In this study, interviews were
conducted to elicit participants' experience of the phenomenon with the method
designed to assure quality of questions (Kvale 1996: 135), and neutralise bias of
trust to enable 'cognitive access' (Saunders et al. 2000: 115), and minimise cross-
cultural misunderstandings (Patton 1990: 337). In effect, the content and
procedure of interviews, together with interviewer skills (Kvale 1996: 115) aimed
to achieve quality data. Even if data is diminished by restricted access, according

to Oakley (2001 in Bryman and Burgess 2001: 28), its quality and amount informs overall analysis.

A semi-structured interview with interview guide approach was selected as grounded framework for subject areas (Patton 1990: 280) linked to the research question (Kvale 1996: 115) and literature review (Marshall and Rossman 1995: 46), allowing the researcher to pursue relevant themes. Questions in the Interview guide v.2 (in Appendix C) were refined by experimental testing on 5 opportunistic participants. Questions were worded in neutral and vague language that could be adapted to specific respondents. More importantly, by being 'intentionally incomprehensible'- according to the Polish translator, the questions avoided a bias of scope of enquiry restriction when submitted for companies' approval. Core questions of 12 aimed to elicit experience of, and opinions on Western HRM practices, and of participants' values. Questions are grouped into three areas of: 1 - aims, 2 – implementation, and 3 – outcomes of practices. Senior managers as policy-makers answered questions in groups 1 and 3, and other managers as implementers answered questions in groups 2 and 3. Follow-up interviews with senior managers and existing contacts were of conversational type (Patton 1990:335), conducted without an interview guide but with some notes taken. Thus, data collected from semi-structured interviews can be supplemented later by conversational interviews to pursue specific themes.

Most questions aimed to focus on a specific variable, but one question aimed to elicit data on all three variables – process and content of transfer, managerial learning and local managers' values: Do you see any connection between the HRM practices and performance (3.4). Four questions focused on transfer (implementation/practice content): How did this practice come to be introduced (1.1); How does it relate to the practices in the head office (1.3); How does it relate to the current labour legislation (1.4); How were the outcomes measured (3.1).

Three questions focused on managerial learning/training: Were there any practices that were critical for you ((2.1); How did you feel about this practice at the beginning and after a while (2.2); Did you obtain results as expected or different from expected (3.3). Three questions focused on values: How does it relate to Polish values (1.2); Do you think that you benefit or that company benefits from this HRM practice (2.3); What is important about work for you (3.5).

The wording of questions affects participants' answers. Most methodologists recommend a mix of descriptive, narrative and evaluative questions (Knight 2002: 9), with prevalence of descriptive wording to obtain details (Kvale 1996). More sophisticated phrasing techniques are: - critical incident questions (Easterby-Smith et al. 1993: 85) for values and opinions, indirect wording for sensitive topics (Ghauri et al. 1995: 65), and 'naïve or blunt' questions (Bailey 1996: 15) aimed to elicit reactions. This study used a mix of deliberately worded questions translated into Polish by the researcher and submitted for back-translation to a Polish national. Questions in interview guide are in English and Polish to facilitate interviewing in both languages, according to preference of participant. 30 interviews were conducted and recorded in Polish and 2 in English.

The interviewing procedure aimed to establish a rapport with participants (Bailey 1996: 15). My personal presentation in elite interviews aimed to model a UK financial services workplace. Dressed in a businesslike gender-free suit, I looked like an expatriate manager, free of bias of sex, class, race and accent (McNeill 1990: 40). In other interviews, I adopted more scholarly appearance. Any possible bias of 'cultural misunderstandings' (Patton 1990: 337) was neutralised by my bi-lingual skills and prior experience. Interview procedure was as follows. Starting with introductions, purpose of research and confidentiality caveats, I took ready-to-take-notes passive stance. I then moved onto core questions in sequence of present situations leading to past events (ibid.295). Six personal information

questions reported in literature as 'disliked' and 'uncomfortable' (ibid.295) were casually asked at the end of the interview session. Thus, perception of researcher by interviewee would be rather of rapport.

Note taking - on the spot (McNeill 1990), and in hard-back notebooks was used for data recording, as tape-recording was disallowed, which present a limitation in this study. Noted in CEE literature as evidence of distrust towards Western researchers (cf. Markoczy 1993; Soulsby 2001; Tung and Havlovic 1996), it also presents access restriction. Nojonen (2004 in Clark and Michailova 2004) in his *Fieldwork in a Low-Trust (Post-) Communist Society* gives account of his fieldwork interviews in China. Reactions to requests to tape-record interviews were of different kinds: a) request declined or b) request initially granted but withdrawn prior to recording or c) interviewees requested to erase interview after recording. In some cases, on seeing a tape-recorder, interview participants wanted to check the machine was not on (ibid.165). In this study, note taking reduced my observational data, and to some extent – textual data, as I wasn't able to capture all language and contextual meanings of behaviour and objects (Adler and Adler 1987: 26). When taking notes, I aimed to capture answers in full, with notes later condensed into a 2-page summary with quotations as 'hard' evidence of that interview (Knight 2002: 166). Thirty interviews conducted in Polish, were translated into English and word-processed, to be included in the study's database.

Interview responses

Responses from interview participants in organisations are a subject to bias of evasion or distortion, called by Alvesson (2003) 'habitual acting of managers' (ibid.). In organisational interviews, managers, do their own 'interpreting and

processing' (Boje 1991: 110), in a sense of 'constructing knowledge actively' (Fontana and Frey 2000 in Denzin and Lincoln 2000: 647). Participants engage in 'political storytelling', according to Boje (1991) to 'make sense of their setting' (ibid.117). Language is characterised by 'gloss' – that is, 'marginal notes or digression that can exaggerate simplify and shift the meaning of experience' (ibid.). In a similar manner, Weick's (1981) 'glossing' aims 'to sell a particular point of view' (Boje 1991: 116). It is possible to elicit meanings from participants, according to Holloway and Jefferson (2000), who advise to 'follow respondent's phrasing to facilitate the production of "meaning-frames"'(ibid.53). For evasion, Alvesson (2003: 27) recommends restart questions with a request 'can you clarify it'. In this study, 'glossing', frequently encountered was noted for subsequent interpretations. Some participants used interviews for communicating their own agenda via the researcher (cf. Soulsby 2004 in Clark and Michailova 2004). Thus, even 'glossed' or manipulative responses from participants are evidence to be interpreted in a process of data analysis, discussed in the last section of this chapter.

To sum up, the effectiveness of interview as research method is determined by factors of quality of interview questions, the procedure, and interviewer's skills. Responses from participants are affected by participants' interpreting their experience (self-reporting). Responses can be managed by interviewer's skill, and arguably, researcher's interpretations. The next sub-section shows how observation as research method can support interview data.

4.5.2 Observations

In sociology and anthropology, ethnographic fieldwork observation is a major data collection technique for following cross-cultural phenomena (Marshall and Rossman 1995: 94). In management studies, fieldwork observation used with

other methods gives a 'holistic perspective' of physical and social environment (Patton 1990: 203) and sensitises researcher to concepts (ibid.218). It generates insights and reflections on settings, people and interactions. According to Metcalfe (2006), observation as research method provides strong evidence by being repeatable (ibid.75), and evidence from observations can be confirmed or disconfirmed. In organisational settings, artefacts such as lighting, furniture, and objects play a significant role (Bailey 1996: 66). In Case 1, spacious 1970s offices combined natural light, marble walls and modern office furniture with ample employee facilities, suggesting comfort for all. Individuals' dress and appearance denote their status (Yin 2003: 94). Vignette 3 below describes differences in appearance of senior managers and non-managers in this study. Individuals' speech and vocabulary (Bailey 1996: 68), non-verbal behaviours, and use of space (ibid.; McNeill 1990: 98) are subject to interpretations. Senior managers in Case 1 and 3 had spacious offices with anterooms and secretaries, unlike Case 2 participants, that suggested cost-consciousness policies of the latter. A limitation of observation, according to Ghauri et al. (1995), is that it lacks objectivity. The researcher as observer is 'unable to take a neutral view', that leads to 'ethnocentric observer knows best' stance (ibid.58). On the other hand, the researcher is observed by participants and his/her values inferred with responses managed accordingly, as elaborated in the previous sub-section.

In this study, the use of observation was opportunistic. Its aim was to validate interview data, mostly for transfer variable and local managers' values variable. Another aim was to obtain rich descriptions of settings, and individuals for case study profiles, such as illustrated by Vignette 3 below.

Vignette 3: From fieldwork diary

The open space meeting area outside the HR office provided me with a vantage point from which I could watch employees strolling purposefully along the corridors, chatting on their mobiles, or going to a kitchenette to make a cup of tea. I reflected on clothes as an indication of status (cf. Yin 2003) and differences between people I was observing and my elite interviewees. Senior women managers were impeccably dressed in lightweight suits with jackets and skirts or trousers and high heels. Their hair was professionally arranged, with discreet make up and jewellery. Senior men managers wore dark suits, white shirts with light ties, and looked impeccably groomed. The behaviour of all managers was courteous, formal and businesslike, characterised by efficient hospitality. I was offered refreshments supplied by secretaries in porcelain cups. The employees I was observing outside the HR office looked either too casual, or too over-dressed, and rather un-businesslike. Clothes as a status symbol were rather obvious, perhaps social distance of Alvesson (1996) and clothes other than of top management as an expression of passive resistance? My musings were interrupted by the next interviewee – a man, who although dressed in un-businesslike khaki and grey, went into the HR office, promptly requested a meeting room, and leading me to it, asked another female colleague to bring some refreshments. I was wondering why his clothes didn't fit into either Yin (2003), or Alvesson (1996)'s theory by contradicting his assertive communication style.

Source: Fieldwork diary June 2006

Written up as comments in master schedule of case companies and field notes, unstructured observations were useful to determine participants values, indicated by appearance and behaviour when triangulated by interview data. For example, observation of manager's appearance validated his neo-liberal values: 'wearing shirt and braces in meeting, no jacket', and 'inventor-type, young and eager, intellectual, now writing MBA dissertation' (2/7 in master schedule 18-21/12/06). In another example – an observed manager-subordinate interaction was indicative of traditional values — a respectful subordinate was addressed as 'Miss Eva' (2/4 in ibid.). At times, opportunistic observations revealed data that would not be available (Patton 1990: 204). An example follows. Two same-day interactions I observed and partly overheard validated the data on hard HRM approach voiced by company managers. First, a group of young and mostly male recruits walked about the building on induction day. Second, a mature employee attended a brusque and casual exit interview at the HR department. Thus, observations validated concepts obtained from interview data and the literature review on

preference for younger employees (cf. Fryzel 1999 in Wawak 1999) and Chapter 5 (1/7 and 2/11).

The record of observations, some in fieldwork journals, similar to access and fieldwork diary of Easterby-Smith et al. (1993: 100), together with notebook writings, similar to mental and jotted notes of Bailey (1996: 80), and personal diary, similar to time-budget diary of McNeill (1990: 89) become a part of research records (Marshall and Rossman 1995: 110), as shown in the next sub-section.

4.5.3   Documents

Document analysis as third data collection technique in case study design completes evidence for triangulation procedure (Yin 2003: 86). Documents obtained are likely to be incomplete and researcher needs to assess 'what is lacking, what is propagandist, what is authentic, factually accurate' (McNeill 1990: 112). A limitation of document analysis is, according to Knight (2002), likelihood of subjectivity, because of being open to many readings (ibid.105). External and internal documents were used in this study and are described in turn.

External documents aid descriptions such as company profile (Marshall and Rossman 1995: 87). Shareholder, annual reports - current and back issues, provide information on company history, business activities, and future strategy. These can be supplemented by news from companies' websites, and business press. Current business publications give a wider view of the industry, and might include information on case companies, if these warrant attention. This study's data includes shareholder reports and publicity materials of case companies between 2005 and 2008, with some pre-2005 annual reports for historical perspective (McNeill 1990: 89). Quotations from company reports are used in case

companies' profiles in Chapter 5. Sales literature on products and services was collected on fieldwork trips and it verifies a range of financial products compatible with the products of Western banks. Although easily accessible, external documentation is likely to be 'propagandist' (ibid.112), that is, presenting a managed image of company. Thus, external documents are likely to contain information bias and need to be critically reviewed. In this study, I found external documentation to represent company's values accurately while presenting company's image in a positive light.

In contrast, internal documents in companies are regarded as confidential, and access to them is restricted (Yin 2003: 86). Necessary as evidence of procedures being used, internal documents are reluctantly given, or even shown because of commercial confidentiality. In this study, some documents were made available. In Case 1, the training schedule for 2005 informs comprehensive training for managers, of 8.5 days per year per manager. Thus, it supports the interview data from FDI companies on intensive training. In contrast, in Case 3, training schedule for 2006 informs on 2-day per year soft skills training for managers, thus supporting the interview data on pragmatic training in a non-FDI company. Case 1 newsletter informs on plans to expand the number of small branches without increase in employee numbers, thus supporting the interview data on intensification of work. In Case 3-job application form is a single, double sided A4 page with 10 questions. My interpretation of this brief document is that a non-FDI company lacks a sophisticated HRM recruitment and selection tool, but uses a pre-1989 tool. In Case 2, internal documents were not shown. Thus, internal documents triangulate with interview data supporting my inferences.

To sum up, all data collected is subject to systematic bias. In interviews - researcher and response bias, in opportunistic observations – researcher bias, and

in document analysis – researcher and information bias. Awareness of bias enables researcher to employ strategies to reduce it. Next, I outline analytical and interpretive processing of data, including steps and procedures. The case studies' data analysis is presented in the next Chapter 5.

4.6   Data analysis

The aim of data analysis is to link the empirical evidence with the conceptual model, leading to answering research question while maintaining rigorous analytical procedures. In qualitative enquiry, data analysis is conducted concurrently to data collection (Eisenhardt 1989: 533). Descriptive and abstract categories identified in first case company, are compared across later cases with a purpose of finding similarities and differences (Miles and Huberman 1994: 176). Thus, processes of within-case and cross-case analysis (Eisenhardt 1989: 533) take place on levels of individuals and organisations, with 'integrative interpretation of all cases' (Ghauri et al. 1995: 88). In this study, the analytical approach is broadly empirical and pragmatic (Strauss and Corbin 1998). Cross-case themes and sub-themes, corresponding to categories and sub-categories, and to constructs and elements of the theoretical framework detailed in Chapter 1, are analysed. Comparisons are made between cases, and between FDI and non-FDI cases. Analytic tables are included for categories and larger sub-categories with evidence for phenomenon (Miles and Huberman 1994), with descriptions and quotations as illustrations of concepts analysed in the next Chapter 5. Analysis of cross-case themes then leads to a summary of analysis – a formulation of a proposed typology of local managers' variation in reactions, followed by discussion to enfold literature (Eisenhardt 1989: 546) in Chapter 6. Data analysis commences with assembling records pertaining to research.

The data I collected from case studies comprise of notes from interviews, fieldwork observations and printed material. All interview data was translated and word-processed, with participants' and companies' identities, encrypted and cross-referenced in the master schedule securely stored. Interview data amounted to 56 pages of about 60,000 words. Data from observations, notes and descriptions were also word – processed and stored in separate files for Case 1,2, and 3. Paper records were examined and contents noted, with excerpts word-processed and filed. Word-processed records were printed and photocopied, and a codebook and manual filing system was set up in preparation for manual processing.

The initial stage of analysis or 'microanalysis' (Strauss and Corbin 1998: 22), involved scanning interview data for ideas and contradictory ideas, underlining important quotations, making notes on topics in the left margin, and producing a summary of each interview (Riley 2000: 55). On a copy of summary, descriptive categories, or units of open coding (Strauss and Corbin 1998), that is – a descriptive account of a topic, or idea or concept were pencilled in the left margin. These codes attempted to summarise notes previously made. In open coding, according to Strauss and Corbin (1998), units – phrases, sentences or paragraphs, need to be labelled to 'give meaning to each' (ibid.396), and in this study, 540 items of open-coding were developed. Thus, a label was written in a right margin, and an attempt was made to associate each label with participants' words, or theory, or literature (ibid.397). A summary marked with a label in the right margin and open coding in the left margin was photocopied, with one copy to be filed, and second copy to be cut up into strips (Riley 2000: 133). I then developed a codebook and a coding frame, and a summary matrix – a data accounting sheet of Miles and Huberman (1994: 92) in Appendix F. The summary matrix lists all variables (ibid.221), labels, language, references from literature, reference from the conceptual framework and the count of instances from each of three cases. Appendix F shows that most data comes from interviews, with some data from

documents and observations for triangulation. Thus, the initial stage of coding aimed to reduce data to meaningful concepts, and to set up the analytic summary table with phrases retained for labels and quotations as illustrations of concepts when reporting.

The next stage aimed to reduce data by elaborating abstract concepts from two, or more pieces of descriptive data. Called by Strauss and Corbin (1998) axial coding, it involves manipulating pieces of data by grouping, sub-dividing, looking for opposites, or for missing categories (Riley 2000: 111), in order to create patterns of relationships. In creating abstract codes, I found clusters not always mutually exclusive, with some overlap (Miles and Huberman 1994: 245). Three abstract codes correspond to three constructs in the conceptual framework (in Chapter 1) with eight sub-categories that broadly correspond to elements in these constructs. Interviewees' language was used for labels with a purpose of signalling meanings and interpretations. Interpretations – 'going beyond the descriptive data' (Patton 1990: 423) involve attaching meanings, offering explanations, imposing order, dealing with rival explanations (ibid.). In this study, I attempted to interpret data in terms of intended meaning of respondents, thus offered minimal interpretations (Riley 2000: 111). However, I also imposed theoretical assumptions of the conceptual framework selecting subjective themes and quotations. Thus, I acknowledge interpretive epistemological dilemma present in this study that is characteristic of qualitative enquiry.

The summary of data analysis was the result of final coding in this study – the selective coding of Strauss and Corbin (1998 in Saunders et al. 2000: 396). It collapsed abstract codes and developed them into four core categories that became the basis for types in typology I constructed. Considered as pragmatic in social studies, I use a four-type typology to capture and elucidate findings of variation in

reactions of actors (Patton 1990: 398). Metaphors, in this study - words or phrases from interviewees' language, were used to label types, and attributes to describe these types. A typology of local managers' variation in reactions commences the body of Chapter 6 on discussion of findings.

Writing up data analysis in Chapter 5, included memo writing for variables/categories and sub-categories. The memo writing technique used followed a model set of 12 questions of Charmaz (2006) tracing people, emergence, change and consequences in variable/category (ibid.86-88). These are illustrated by data displays- tables for each variable/category, or sub-category, extracted from the summary table (Miles and Huberman 1994: 183) in Appendix F to provide evidence for analysis. The narrative statements were fitted under headings-metaphors from participants' language to reflect meanings. A role of metaphors that 'synthesise blocks of data in a single trope' (ibid.302) is also to convey emotions, as metaphors are 'vivid, emotional, set mood' (Metcalfe 2006: 92).

A summary of analysis from a variable/category table is followed by illustrations in a form of syntheses of interviewees' language to illustrate concepts, with illustrative quotations. An attempt was made to use some quotations as narratives or stories of resistance, thus obtaining 'rich picturing' (Metcalfe 2006: 55) and emotions contained in interviewees' language. The study aimed to include 50-70% of the data in the report (ibid.302).

To sum up, data analysis adopted a rigorous procedure of manual data processing of grounded theory approach. Two stages of descriptive, and abstract coding produced selective four core categories. These codes were used as the basis for the typology I constructed, as detailed in Chapter 6.

Conclusions

In the present chapter, I focused on elaborating research process in six sections – methodological approach, research design, sampling, developing access, data collection methods and data analysis. Its aim was to explain and justify methodological choices. With reference to the chapter title, I attempt to convey that methodology in qualitative study imposes structure on quantity of apparently unrelated data collected in the research process. I established that qualitative approach was guided by the research questions, but also the desire to produce a humanistic study. The research design and fieldwork sampling included many adjustments, with access, data collection methods, and data analysis affected by cross-cultural nature of the project. Access restrictions may affect quality of data collected, arguably balanced by researcher's skills. Ethical concerns of voluntary participation, respect for privacy, confidentiality and anonymity were a priority.

Prior experience helped to formulate the research question. The reasoning behind pilot study fieldwork was to develop the research design and to test the data collection methods. In obtaining access, the most effective strategies were access via existing contact and recommendations. Interview technique was triangulated with observations and documents. Interviews were transcribed, translated and collated for manual processing. Grounded theory coding proceeded in three stages – for concepts, clusters and a typology. Data analysis was organised into narrative statements with tables and illustrative quotations, preceded by headings.

Next, Chapter 5 presents findings of this study and provides cross-case analysis of case study companies arranged into variables/categories and sub-categories that correspond to constructs and elements of the conceptual model in Chapter 1.

5: Local managers: able and willing to transfer?

A key assumption of transfer literature as shown in chapter 2, is that local managers transfer practices, including HRM practices. The evidence from the data contained in this chapter questions this assumption and shows to what extent local managers trained via managerial learning transfer practices evaluated according to their traditional, or neo-liberal values. The aim of this chapter is to reflect on local managers' experience and perceptions of transfer of HRM practices. In a process of managerial learning, Western concepts are assessed in the light of societal and personal values. The chapter title ' Local managers: able and willing to transfer' asks whether managers working for FDI and non-FDI companies have the knowledge and new values that support transfer of practices. The evidence suggests that not the ability, but the willingness to transfer remains ambiguous. Local managers' subjective evaluation of experienced-in-reality concepts produces variation in reactions to neo-liberal concepts and practices.

In the present chapter, I first introduce the three case companies. Cross-case analysis of the study's themes then follows in three sections. The fifth section summarises the key findings. The chapter's aim is to provide empirical evidence that answers the research question. Three sections on main categories/themes correspond to three constructs of the theoretical framework detailed in Chapter 1 (1.6). I use qualitative terms of 'category' and 'theme' rather than of 'variable' in order to reflect an inductive nature of this chapter. The sub-sections in sections contain sub-categories/sub-themes broadly corresponding to elements in constructs of the framework. For headings and sub-headings, I use phrases taken from interviewees' speech to reflect actors' feelings and actions (Charmaz 2006: 80). A coding process is shown in Appendix D, and a coding frame - in Appendix E. Every category/theme is analysed using a memo writing technique of Charmaz

(2006) detailed in Chapter 4 (section 4.5), and illustrated by an analytical table –
part of a summary matrix presented in full in Appendix F. Analytical tables
starting with Table 2 to Table 9 are summaries of analysis for key
variables/categories and variables/sub-categories and correspond to constructs and
elements in Chapter 1 in section on theoretical framework (1.6), and Chapter 6.
 The summary matrix includes codes, categories, labels, main interpretations,
references from literature review, number of instances from interviews, and to a
lesser extent, from observations and documents.

The first section outlines profiles of case companies and is based mainly on
documents – company literature, and interviews. The second section - on transfer
of practices, contains two sub-sections – on implementation, and on content of
HRM practices, and is based mainly on interviews and internal documents. In the
third section, I focus on training – managerial learning that aims to produce
cognitive and/or behavioural change, which I examine in turn in three sub-
sections. The data comes from interviews, supported by internal documents and
observations. The fourth section deals with local managers' values with historical
experience, external pressures of transition, and pre-1989 system. The data is
based in interviews verified by observations. Divided into three sub-sections, first
I analyse data on national identity traits, second – on regional identity traits,
third – on transition, and pre-transition period. It is followed by Chapter 6 in
which I introduce a summary of analysis in a form of typology of local managers'
variation in reactions to practices. In addition, in Chapter 6, I compare and
discuss analysis of three cross-case themes of Chapter 5 with existing literature of
Chapter 2 and background of research setting of Chapter 3 in the light of the
theoretical framework in Chapter 1.

Next, the case study companies are presented with identifiable numerical data
and facts removed. The section's aim is to compare business goals of FDI and non-

FDI companies as affecting employee policies. Two FDI companies are representative of the banking industry described in Chapter 2 (sub-section 2.1.2). All three companies have been given fictitious names to reflect their relative ranking in the industry, while retaining anonymity – Beta Group is Case 1, and Alpha Group – Case 2, and both are FDI companies, with Omicron – Case 3 non-FDI company (see Table 1 in Chapter 4, sub-section 4.3.2). Managers I interviewed were coded to maintain confidentiality when quoting their speech. For example, 3/2 is interviewee 2 in Case 3 and these numbers correspond to numbers in the master file.

5.1 Profiles of case companies

The case companies in this study belong to financial services industry– the most dynamic in Polish economy, and dominated by foreign capital. A comparative profile of case companies is included in Chapter 4 (sub-section 4.3.2). Financial services as a part of global banking network is an example of technological and knowledge transfer, as detailed in Chapter 2 (2.1.3). The industry has high salaries, modern technology and uses Western HRM practices. Case companies appear to have differing goals – FDI Beta Group and Alpha Group plan to expand their share of the market while maximising profits. The non-FDI company - Omicron occupies a niche market, and in addition to commercial interest appears to have social and political interests. Employee policies also differ, as shown next.

Beta Group

Beta Group is a member of banking and insurance group of companies trading in 15 European countries, 5 of which are former socialist countries. In Poland, the bank's mission is to be 'a financial institution of choice for a select group of clients' and its aim – 'satisfaction of shareholders through achieving cost-effectiveness,

and 'achieving a position of one of the biggest Polish financial institutions through retaining best-qualified employees in the banking sector'. The bank's values are: 'partnership, understanding, responsibility and trust' (n1).

Established in 1989 as the result of a management buyout by the pre-1989 senior managers, the company's 20% equity was sold to foreign investor in 2001 – the present majority shareholder, and increased to 85% in 2005 (n1). That year, the company's profit increased over 2.5 times on the previous year and was distributed to shareholders in full. The company plans to reduce the present cost to income ratio of 73% (n1).

The bank employs over 6000 staff that 'creates the company's success'. The average age of employee is 35 years and the average length of service is 7 years (1/2). Staff policy is to 'reward employee effectiveness, monitored via annual appraisal, where quality of work and competencies are evaluated'. For managers, 'ability to manage people is vital', non-managers receive 'complex training' for 'competence and politeness'. Employee systems – HRM, have been created to 'provide employees with best working conditions, and optimal development potential, and to maintain the company's dynamic development' (n2). Thus, the language of company literature coalesces around a notion of dynamism and learning, as opposed to stability and security of employment.

Alpha Group

The company is a part of a European banking group that entered Poland' s recently privatised market in 1994. Its strategic objective is to be a 'multi-regional bank focused on retail and commercial banking' that wants to be 'the best towards selected customer groups' with a focus on individual products, investments,

insurance and credit cards. Its values are 'dependability, engagement, innovativeness' and products are 'tailored to changing customer expectations' (n3). Created from two formerly state, and privatised in 1989 transition banks, it trades in four other CEE countries. In 2001, the merger initiated by its current major shareholder, caused the reduction in workforce by 30% (2/10). In 2005, the bank reported increase in profit of over 20%, with a low cost-to-income ratio of 52% (n3).

The bank employs over 7000 staff and the average age of employee is 37.5 years (2/10). The company's human resource policy focuses on effectiveness of its 'intelligent, motivated and creative' staff, who 'work as a team' and not as a 'collection of talented individuals'. A culture of teamwork promotes 'sharing information' between employees. For its staff, the company's ethics code provides 'safe conditions at work' […] of 'non-threatening environment …[…] free from any form of harassment and bullying', and reporting of these practices to ethics department is encouraged (n4). Thus, the language of company literature is similar to that of Beta Group, with a proviso of managing unethical behaviours in a workplace.

The next case is different from two others in the sample, and Vignette 4 (page 145) illustrates observed differences.

Omicron

Omicron was formed by a merger of two privatised state enterprises with no involvement of foreign capital. In Omicron, the strategic investor is not a bank. The company provides a range of financial products and services to individual customers, small businesses and local authorities. The company's mission is to 'become an institution that fully satisfies the needs of its customers […] and

takes full advantage of the experience and potential derived from the co-operation with its shareholders '(n5).

Created in 1990 as a regional company, Omicron grew to become a national network. In 2006, it adopted a new business model and had been undergoing restructuring and development of retail sales, with a new product of money transfer across thousands of payout-points. Operational efficiency is rather low compared to other firms in the industry with cost-to-income ratio of over 74%, explained by the financial pressures of expansion.

The company employs about 1000 staff, with the number projected to double when the present business model becomes operational. It received a commendation in the 'Employer of the Year 2005' competition. The 2005 annual report thanks all company employees for their contribution to its business success that year (n5). Thus, the language of company literature indicates a commercial focus of expansion with a provision of humanistic working environment.

To sum up, the FDI case companies provide environment of dynamism that monitors effectiveness of employees. Alpha Group acknowledges the existence of problematic workplace behaviours that are being managed. In contrast, the non-FDI company appears to offer stability rather than dynamism. The significant finding is that a cost-to-income ratio performance indicator is similar in Beta Group with standardised HRM and non-FDI Omicron with customised HRM. This appears to confirm the literature's findings on lack of link between company's financial performance and HRM practices (cf. Pfeffer 1998).

The next section commences a set of two themes arranged in two sections that relate to categories and sub-categories listed in the summary matrix in Appendix F, and to constructs and elements of the conceptual model set out in Chapter 1

(1.6). The aim of the next section is to empirically establish a willingness of local managers to transfer HRM practices. I explore two topics in turn: implementation process, and content of HRM practices.

Vignette 4: From fieldwork diary

In an office building - a temporary office, no usual bank security of cards and gates. Instead, in a third-floor reception, two male security receptionists with weapons, the area crowded with a copier, filing cabinets, and some plants. I didn't notice any seating for clients, but it wasn't needed as I was promptly ushered in. Unescorted, but provided with directions, I made my way to the HR offices passing a few women dressed in smart-casual and non-business outfits, chatting - clearly preoccupied with their personal lives.

Taken to the meeting room set aside for interviews, I saw that I was to dispense generous hospitality to the interviewees – tea, coffee in porcelain tea cups, water, savouries and biscuits. It worked - managers were co-operative and considerate, slowing down for me to take notes. Rather forthcoming and not shy to talk, they un-fondly remembered foreign companies they used to work for. FDIs were distant and separate, a necessary evil, to be ignored and avoided. They kept well away from it and lived their lives as always, quite independent of their environment.

Source: Fieldwork diary July 2007

The label of the next theme comes from the language of a Beta Group senior manager, and is a metaphor for transfer of practice relating to educating managers and clients. I interpret the manager's stance as negating prior-to-Western knowledge.

5.2   Teaching new behaviours

In this category, there is a process of implementation and content of HRM practices. Foreign owners and non-FDI companies are imposing standard practices and managers are responding. Acceptance of practice is being taken for granted. While acceptance would support practice transfer, lack of acceptance impedes it. Customising practice to obtain acceptance would change actions and statements of managers that presently imply surface compliance, non-adoption, segmentation or imitation. Surface compliance, similar to 'ceremonial adoption' of Meyer and Rowan (1977) exists in conditions of well-established practice, and non-

adoption of Kostova and Roth (2002) exists in conditions of new implementation. Local managers explain lack of successful transfer by attributing it to national traits. The situation changes when managers, or even employees are consulted, and people do not perceive themselves to be objectified by processes. The outcome for standardised practices is ambivalent transfer, with high staff turnover and high training costs. The outcome for customised practices is acceptance and pragmatic use of segmentation of Kostova and Roth (2002), with slower adaptation of hybrid system (Markoczy 1993). These findings have been reached as a result of exploring data in the category, as shown in the next two sub-sections on the two related sub-categories.

The label of the next sub-theme comes from an Alpha Group manager' s language and is a metaphor for positions of two parties in transfer process, as viewed by the receiver. I interpret the word 'imposing' as aggressive, and 'receiving' as a passive stance.

5.2.1 Imposing and receiving

Table 2 gives an overall view of analysis of this sub-category, with a summary, followed by examples, illustrations, and quotations from the data.

Table 2 shows similarities in practice implementation in FDI companies – perception of standardised practices. There are differences of strength of evidence between two FDIs. These can be explained by the fact that interviews in Beta Group were conducted during the early-phase implementation – hence strong evidence, and in Alpha Group, practices had been embedded for 3 years – hence moderate evidence. An assumption here is that early-phase reactions are stronger than later-phase reactions. There are differences of perception of standardised practices in FDIs, and of customised practices in a non-FDI company. These can

be explained by different experiences. In FDI companies, local managers do not appear to control the use of HRM practices. In non-FDI Omicron, local managers had experience of influencing a process of customising and of practice content, and their current experience is of controlling its use.

Table 2: Transfer of HRM practices

| Descriptions | Language | FDI | | Non-FDI |
		Beta Group (1) (i)	Alpha Group (2) (i)	Omicron (3) (i)
standardised	'Try to impose', 'imposed'	s (i)	m (i)	w (i)
customised	Adapted, modified, create own solutions	m[1] (i)	w (i)	s+ (i)

Legend: (i) interviews-based evidence
(d) documents-based evidence
(o) observations-based evidence
s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
m (moderate, <5)
w (weak, 1-2)

The significance of these two findings is that FDI managers adopt passive behaviours – a regional trait, and that non-FDI managers perceive HRM as a tool while developing hybrid practices. Thus, the willingness to transfer is negatively affected in the former, and customised practices are created in the latter. Detailed illustrations follow. Similarities in implementation are reflected in use of outside consultants, described as people who: 'tried to rediscover the wheel here, which caused dissatisfaction among the employees' (1/1), and use standard products: 'company knows nothing about banking, it has a format and simple questions' (1/11). The standard practice is that managers are co-opted to implementation to sell the new idea to employees: 'when it is implemented there is internal resistance, we had training at the beginning because we don't know it and don't understand it' (2/9). In addition to evidence of reactions, statements on implementation can be interpreted as evidence of negative perceptions of

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[1] negative evidence in Case 1 - current implementation is second implementation of practice previously abandoned, hence managers' belief they can influence non-adoption or customisation.

outsiders, here of consulting companies noted in CEE literature (Bedward et al. 2003; Kostera 1996) elaborated in Chapter 2 (sub-section 2.4.2).

Differences in implementation outcomes are illustrated by examples from case companies. In Beta Group, initial equity of foreign investor was too small to impose a new practice: 'before, no-one interfered' (1/5), which was introduced and later abandoned. With gradual equity increase in 2005, the managers see the practice return. Group's HR senior manager explains that: 'a majority shareholder would like to have influence, it's accepted as something normal… strategy is worked there, we are not consulted', and that: 'criticism has not been expected' (1/4). Most Beta Group managers believe that: '[the HQ] imposed it on us, we are not consulted '(1/4), and that: '[they] try to impose, their own structure and culture' (1/8). The above statement confirms link between transfer of HRM practices and share ownership structure (Danis and Parkhe 2002). It also confirms outcomes of reactions (see Chapter 2). Moreover, it can be interpreted as evidence of national trait of 'freedom from', or as culture of resistance dating from period of partitions in historical experience (see Chapter 3, sub-section 3.2.2).

The lack of control of local managers over systems and processes appears in statements of managers in Alpha Group – a company with well-established HRM practices and high operational efficiency, who admit that: 'top-down instructions frustrate' (2/7), and: 'I have no influence, control…' (2/5). HRM practices appeared at the time of 2001 merger and accompanied staff redundancies of 30%, with remaining employees called by one of the senior managers as a: 'natural selection' (2/10). Another manager describes a current MBO system:

Introduction of coaching, linked with a compass goal and then evaluation… it substantially changed the whole process of managing people. Two annual meetings and one evaluation, it's a continuous process for direct subordinates, and for all subordinates, it should simply

happen every day… A few words and a subordinate feels my breath and interest… We ask ourselves… we are hired labour… difficult to expect autonomy, we have to submit ourselves to the employer (2/2).

The above statement is also evidence of cognitive change of manager-owner relationship (see Table 5), and of managerial role focus (see Table 6) with objectification of self: 'we are hired labour', and of managerial control – objectification of others (Bukharin 2006): 'a subordinate feels my breath and interest' (2/2).

Passive attitudes as outcome of standard HRM practice implementation are reflected in the language of a manager of HR department. When asked about the reasons for possible replacement of existing MBO practice by a competency model, I received a resentful reply: 'I am a recipient, not an author […] perhaps it's happening already, position of HR …if it is implemented, we will adapt ourselves, all have to adapt' (2/9). Passivity - regional and national identity traits in Chapter 3 (section 3.2), expressed in the above statement implies reluctant adaptation to practices and not transfer of practices.

Different outcomes from those described above are achieved by managers in non-FDI Omicron that uses customised practices. Like in FDI companies, the practice was introduced by an ex-FDI manager - an outsider: 'the director who worked for FDI, then [via] the board and the strategy department' (3/7), the system imposed, and it was: 'American, modified by the Germans, now own version' (3/8). A senior Omicron manager recalls the history of practice implementation, in which customisation was prompted by lack of co-operation from managers and employees in a form of returned but un-answered questionnaires:

Performance appraisal didn't work. We implemented it twice; the set up not fit for the firm… questionnaires… no effect, no feedback… [It was] in 1997-98. Before, we didn't

participate in preparing the system. Then we designed them ourselves, based on our knowledge, didn't work. Our reorganisation, change of senior manager, we used her experience, we sought feedback from the managers… the employees… had meetings about it… outside consultants trained us… a significant difference (3/3).

A hybrid system emerged as a result: - 'designed by ourselves, based on MBO' (3/1), sometimes further customised by a manager: 'of MBO variation, put together by me in a different way, I use it on my own initiative... the board influences it to a small degree' (3/8), and used for the benefit of employees: 'I can learn …what would the employee prefer to do. For example, someone dislikes public speaking, give the task to someone else' (3/2). More importantly, the use of MBO is not obligatory: 'MBO – it depends on a manager, if he identifies with it, it's OK' (3/6), and has considerable autonomy and discretion in using a specific practice: 'if an employee does not accept MBO, I build his values, he obtains knowledge, increases his market value…it works' (3/8). The above illustration shows how outcomes of resistance led to a two-phase practice customisation to facilitate its use. Thus, outcome for Omicron is managers' perception and use of customised HRM practices as a tool, rather than an instrument of control.

To sum up, practice customisation appears to be ownership-dependent and seems to take place in a non-FDI company. Non-FDI managers obtain employee acceptance and better outcomes from customised practices.

The label of the next sub-theme comes from a Beta Group manager's language and is a metaphor for a perceived hidden aim of HRM practices as maximising shareholder value in FDI companies.

In this sub-category, there are pragmatic or questionable value, or hard and distorted practices. Managers are saying that they use practices or that they feel controlled by practices. Acceptance of practices is taken for granted. Flexible labour legislation will maintain practices (Meardi 2006), and regulation will impede them. In the managers' minds, connections are being made between HRM practices and external pressures of transition. A process of negotiating and customising practices is developing, or a process of surface compliance is developing in conditions of flexible labour legislation. When content of practices is accepted by the managers, support develops, when it is not accepted, surface compliance is enacted. The consequences of practices accepted as pragmatic is transfer or partial transfer. The consequence of hard and distorted practices is variation in reactions to transfer and ambivalent transfer.

Table 3 gives an overall view of analysis of this sub-category, with a summary, followed by examples, illustrations, and quotations from the data.

Table 3 shows similarities in managers' perceptions of HRM practices across three cases. Similarities are of pragmatic and critiqued HRM practices. The differences are of strong evidence of hard or distorted HRM practices in FDI companies. The explanation is that in FDI companies local managers seem to have no control over HRM practices. In non-FDI Omicron, practices become customised by managers. In contrast, there is weak evidence of hard HRM in non-FDI Omicron and the data refers to managers' past experiences in FDI companies. These findings are similar to findings on implementation modes in the previous section. Managers' perceptions appear to be of imposition of standard or hard practices.

Table 3: Content of HRM practices

| Descriptions | Language | FDI | | Non-FDI |
		Beta Group (1) (i) (d)	Alpha Group (2) (i)	Omicron (3) (i) (d
Pragmatic	'practical', 'cost-saving'	s (i)	s (i)	s++ (i) s (d)
Of questionable value - critiqued	'stressful'	s (i)	s+ (i)	s (i)
Exploitative, hard	'Target not achievable', 'not light touch'	s+ (i) m (d)	s+ (i)	w (i)
Distorted	'more Western than in the West'	s+ (i)	s++ (i)	

Legend: (i) interviews-based evidence
(d) documents-based evidence
(o) observations-based evidence
s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
m (moderate, <5)
w (weak, 1-2)

Non-FDI managers appear to use practices selectively – pragmatic segmentation of Kostova and Roth (2002), or to modify them to their requirements. The explanation seems to be that managers reject practices used in FDIs.

The significance of these findings is that negative perceptions of HRM practices would affect managers' willingness to transfer in FDI companies. In addition, as managers in non-FDI companies are mostly ex-FDI managers, negative experiences of HRM would impede transfer in non-FDI companies. Detailed illustrations follow.

The label below is taken from the language of an HR manager at Omicron that implies employees' co-existence with processes.

Engine for their activities

HRM-as-tool attitude is found across FDI and non-FDI companies. It reflects current employment flexibility of environment of transition. According to a Beta Group's ex-manager: 'labour legislation is very flexible, [they] exploit it to

maximum… do what they like… the bank has many court cases on' (1/11). Employment flexibility compares unfavourably with the previous system, according to a Beta Group's young female manager: 'we are used to… the government protection was very strong, everyone had to work' (1/8). Flexibility offers the benefits of cost-saving, with practices like: 'short contracts, shifts, students (unpaid internships), call centres, job rotation and assessment centre for selection and internal promotion' (3/1). There is preference for employing young people, and in Alpha Group: 'only young people are managers' (2/3), and with: 'older employees and women moved aside' (2/10). Younger employee policy is noted in CEE literature (cf. Gietka 2006; Hardy et al. 2005) discussed in Chapter 2 (section 2.3).

Employers benefit from HRM practices because, according to an Omicron manager: 'he [company chairman] can boast he has a modern firm' (3/3). Managers note benefits of HRM practices as a system of organising: 'because all is in order' (1/4), and they 'can manage with more precision' (3/8) for: 'optimisation of processes to cut costs' (3/10), thus: 'in theory HRM is good' (2/7). Employees also benefit from HRM practices: 'everyone likes order… that he can progress' (1/7), even if there are some disadvantages: 'appraisal is stressful, but he benefits' (3/2). At Omicron, a manager uses customised performance appraisal:

At the beginning, I was against the method of appraisal, lots of work. There are colleagues that do it for the sake of it. I, for some 3 or 4 years can see that for me it's a moment… I can learn such a lot… what would the employee prefer to do. I take a list of tasks and try to change [his tasks], for example, someone dislikes public speaking, give the task to someone else…it's worth the trouble (3/2).

MBO cycle with appraisal is seen as: 'tool… provides knowledge' [about employees] (1/3), where: 'a goal is clear' (2/4) and: 'feedback useful for next time'

(2/7). Familiarity of some practices leads to acceptance. According to an Omicron's manager, MBO is similar to socialist, post-war goal setting:

MBO is no trouble, should be familiar to us Poles, for example, after the war we build Warsaw, the Poles can, when they see a goal, if they have a leader, even if there is no reward (3/4).

The statement also indicates national identity traits – romantic nationalism (Lepkowski 1989) and generosity of giving without expectation of reciprocity (see Table 7 in sub-section 5.4.1; Chapter 3, section 3.2)).

Thus, the pragmatic use of HRM practices is linked to employment flexibility of rather unregulated labour market. Intensification of HRM practices leads managers to question practices' aims and content, as shown next. The label below comes from the language of an Omicron senior manager - former FDI manager, and reflects her experience of HRM. The word 'slogan' refers to former, socialist ideology and implies a gap between theory and practice.

Pretty slogans

Local managers evaluate practices in relation to effect on self and others. Evaluation leads to questioning company's aims, and to examining value of practice in the light of societal and personal values. The aim of HRM practices in FDI companies appears to be cost-cutting: 'few new jobs, must be creative' (2/1), from which top management will benefit: 'competency model – a caprice of the board, its hidden purpose was a desire to squeeze out profits, the board's bonuses depend on it' (1/7). According to some Beta Group managers, in the HQ practices are applied with: 'a lighter approach' (1/9), and in pay: 'your experience is

reflected' (1/9). In contrast, foreign subsidiaries use a value-maximising approach, according to an Alpha Group senior manager:

In [*name of country withheld*] there is 140 years of tradition, people work for 30-40 years, it's a way of life…career path is predictable, […] is unionised and staff demands have a big influence. Employment stability is great… Here in Poland [*name withheld*] can get away with much tougher actions, organisational structures - much leaner, room to grow is little, people fit like bricks into the building, if promoting - a major move. The institution is much more profit driven, cost management much tighter (2/10).

The above statement seems to confirm findings in CEE literature on cost-driven policies of multinationals in Eastern Europe (Djarova 1999; Martin and Critescu-Martin 2002; Meardi 2006).

Discipline and control are associated with HRM practices. In Alpha Group, performance appraisal is: '4-8 times a year' (2/6), and 'is long, 3-4 hours' (2/3), and it: 'upsets people' (2/3). Employee evaluation does not bring promotion or increase to managers: 'if evaluation high, the same grade, zero increase, for promotion [must] participate in a competition' (2/3). According to one of the managers, there has been: 'an evolution of practices' (2/6), and 360 degree assessment is: 'the next step' (2/6). Alpha Group managers see it as time-consuming: '114 questions' (2/2), with: '25–page questionnaires, can't give it more time' (2/8). Thus, managers appear to perceive some practices as exercise of power, or of questionable value, or as interfering with completion of primary, commercial tasks. This explanation is in line with a notion of resistance to managerial control in CEE literature (cf. Hardy et al. 2005).

Change of practices is rather frequent in FDI companies. In Alpha Group, HR manager admits that: '[we] had Hay's model, now MBO and coaching, considering competency model again' (2/9). In managers' minds, change of practice is linked

with work intensification not matched by financial rewards, and for some - change in job content. A foreign IT manager of Polish team reports that non-sales employees have: 'no reward for creativity, no bonus' with some programmers on: 'the same salary for 6 years' (1/9). Company's sales employees have: 'sales targets... not achievable' (1/8). In Beta Group, new competency framework appears to be designed to fix salaries to certain levels, thus affecting managers' and employees' interests. Job content change prompted an ex-manager of Beta Group, now an Omicron manager to leave: 'the nature of my job changed for the worse...more operational and not conceptual, I could have not used my experience and qualifications' (1/11). This statement is in line with Fryzel's (1999 in Wawak 1999) perception of distorted HRM practices in multinationals.

Effect on self and others prompts managers to question ethical aspect of HRM practices in general: 'good practices are a novelty' (1/3). Quantitative measurement element in HRM is, according to an HRM Director: 'appraisal - certain dehumanisation reducing everyone to one format' (1/2), with unnecessary stress: 'disproportionately damaging to the nerves compared to the effect' (3/3). A trend of: 'change employee every 2 years, somebody from the outside sees things with a fresh eye', is not cost-effective, according to an Omicron manager: 'we have to invest in this person, staff turnover should be sensible 5-10%' (3/3). Omicron manager reflects on management concepts taught: 'Can [the leader] destroy other people's creativity...activate creativity?' or on motivation: 'Can he install desire to reach a goal?' (3/4). An Alpha Group manager questions ethical aspect of Western management concepts:

I am able to shape my behaviour and to observe its effect on effectiveness and co-operation. All management has elements of manipulation. To what purpose do we use it? If to a good purpose - it's permissible, sometimes it's not permissible (2/7).

The above statement of the FDI manager demonstrates his reluctance to transfer some management concepts, thus explaining selective transfer of practices, in line with a concept of pragmatic segmentation in Kostova and Roth (2002). An alternative explanation is of segmentation as selective and reluctant learning of Child and Markoczy (1993).

Unintended consequences are the result of some practices, like teamwork. Used in all case companies, it is linked in managers' minds to a collectivist ideology of the former system, thus rejected on grounds of ideology. In FDI companies, teamwork means that: 'people are interchangeable' (1/2) and can easily be replaced. Teams: 'have conflict all the time' (1/9), and for most managers, conflict management is the most popular training module. Team design and work intensification create distorted practices, like mobbing (bullying in British English) in teams. Described by an ex-FDI, now an Omicron senior manager as: 'in meetings, humiliating employees, threats and name calling… it was 1990-95' (3/8). In Alpha Group, a sales manager is faced with contrasting demands of targets and peer pressure of teams:

Most important is achievement of team, not of individual. The risk is that it is very popular… mobbing; we have to be careful that there is no psychological pressure. It can happen in branches, a pressure of targets can cause mobbing; the targets must be ambitious (2/4).

The above indicates contradictions of teamwork concept, ambivalence of its application, and outcome of misapplied teamwork of workplace bullying (cf. Stelmach 2005).

To sum up, perception of values communicated by FDI companies as propagandist slogans would impede transfer. An evaluation of HRM practices by a Beta Group senior manager suggests perceptions of misuse and distortion:

In my opinion, all these methods are more Western than in the West, we are choking on capitalism. There are many instances of employee exploitation – working unpaid overtime, no pregnant women, non-payment of wages… it also happens in *[industry name withheld]*… we have gone too far with Western working … this market is rather merciless (2/2).

The data analysed in this section shows that local managers' willingness to transfer HRM practices appears to be impeded by a mode of implementation and practice content. Intensification of practices leads managers to question their aims, content, and ethical aspect. Unintended consequences of intensification are hard and distorted practices.

The next section examines training and its effect on behavioural and cognitive change in local managers. Its aim is to establish managers' ability to transfer, and the nature of behavioural and/or cognitive change. In three sub-sections, I analyse effectiveness of training, manager-owner relationship, and perceptions of managerial role focus. In the first sub-section, I note that intensity of training does not enable transfer, and that HRM practices are evaluated during training. In the second sub-section, I find evidence of behavioural change of self-interest in manager-owner relationship. The term 'owner' or 'foreign owners' used by all interviewees is also significant, as it reflects historic egalitarianism of the region discussed in the section on values (5.4). In the third sub-section on managerial role focus, I find cognitive change in some FDI managers. Neo-liberal concepts form a part of a mix of management concepts.

The label for the next theme comes from the language of a Beta Group manager and is a metaphor for her interpretation of capitalism.

5.3   How the market works

In this category, there is training, and managers utilising concepts in their workplaces, thus comparing theory and practice. Managers are saying that not all Western concepts can be transferred and some companies intensify training to accelerate transfer. Applying concepts learned is being taken for granted. External pressures of transition and internal pressures of HRM practices will maintain managerial learning. Managers' actions and statements about transfer of practices will change, when practices are acceptable to self and employees. In managers' minds, connections are being made to historical experience-based societal values. A process of managing workplace relationships is being developed under conditions of dual values system. Some managers partly transfer practices by combining new concepts with pre-existing concepts to avoid conflict of values. Some managers attempt to transfer new concepts and attribute ineffectiveness of transfer to national identity traits. The consequence of managing workplace environment with customised practices and a mix of management concepts is partial transfer. The consequences of using standardised practices are passivity, duality of values, and ambivalent transfer. These finding have been reached as the result of exploring data in this category, as shown below.

 The label for the next sub-theme comes from the language of a Beta Group's HR director and reflects training programmes' focus on extracting and rotating managerial talent. A broader interpretation of this phrase would capture a hoover-like nature of FDI companies in a dual sense of employing best people and of getting the best out of people.

In this sub-category, there is pragmatic or intensive training. It is provided for local managers to teach others new behaviours, so that they support practices. Managers are saying that training is pragmatic, or intensive and continuous. During training, practices are evaluated, aims examined, and effect of self and others noted. Assumption is that the content of practices is acceptable to managers. Intensity of training will not support practices; acceptability of content will support them. A process of adaptation or passivity/objectification is developing. A process of adaptation develops when managers perceive that their interests are not affected. A process of passivity/objectification develops when managers perceive that their interests are affected. The outcome of adaptation is ability and willingness to transfer, the outcome of passivity or objectification to processes is development of distorted or hard practices.

Table 4 gives a view of analysis related to training, with a summary, followed by examples, illustrations, and quotations from the data.

Table 4: Training in case companies

Descriptions	Language	FDI		Non-FDI
		Beta Group (1) (i), (d)	Alpha Group (2) (i), (d)	Omicron (3) (i), (d)
intensive	'continuous'	m (i), s+(d)	s+ (i), m (d)	
pragmatic	'as required'			s (i) w [2] (d)

Legend: (i) interviews-based evidence
         (d) documents-based evidence
         (o) observations-based evidence
         s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
         m (moderate, <5)
         w (weak, 1-2)

Table 4 shows differences in perception of training in case companies. Training is perceived to be intensive in FDIs, and pragmatic in a non-FDI case. There are

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[2] content of training modules in 'soft skills' is similar in all case companies. 3-year training programmes are financed by the EU to the level of 60% of the cost (3/1).

differences between two FDIs - Beta Group and Alpha Group in their managers' perceptions of intensity of training. These could be explained as follows. In Beta Group, there is high staff turnover during new practice implementation, and with training of new managers, expenditure is higher. In Alpha Group, training is continuous and explanation might be that perceived benefits are lower than expected, hence continuous training to obtain better outcomes. This explanation is supported by evidence of practices perceived by local managers to be hard or distorted. Another explanation is that as a part of employee performance appraisal cycle training needs to be continuous. This explanation is factual, but does not contribute to the analysis. Another difference is content of training modules noted in the analysis of internal documents such as training schedules. In FDI companies, English language training and talent management are essential for international management development. In contrast, in Omicron there is no foreign language tuition.

The significance of intensive training programmes in FDI companies is that outcomes are lower than expected. Evidence of frequent changes of HRM practices would support this explanation. Although local managers in two FDI companies have the ability to transfer, there might be un-willingness to transfer, based on evaluation of content of HRM practices, in line with a concept of non-adoption on grounds of lack of legitimacy in Kostova and Roth (2002) and of non-learning of Child and Markoczy (1993). Detailed illustrations follow.

Identifying and developing talent is a priority for Beta Group that spent 31% of 2005 annual budget (n8) on management development programs. According to HR senior manager: ' [we are] looking for people who will take over in 5-10 years' (1/2), which appears to be problematic: 'we fight for talent, new challenge to fill key positions, owners can't stand it' (1/12). The aim of talent management is to produce global cadre for the company:

Our internal system… management talent programme will take managers of the highest

level from Poland and put them in the Czech Republic, that's internal recruitment. Czechs,

Hungarians send job advertisements… a Czech works in Warsaw… Belgians work in

Poland… Poles work in Belgium (1/1).

Intense training will transfer company values, according to Beta Group HR

director. Training programmes are:

[designed to] reach everyone with company values. These are "bought" with a wink – "It

won't work for us", these barriers need braking, it will take many years. The reason might

be – "Let them implement what they like, I'll carry on as before" attitude. It's more about

people management… our managers have a lot of training, big training budget (1/2).

The above account provides evidence for resistance to implementation of new

practices. In addition, it provides negative evidence for practice internalisation of

Kostova and Roth (2002). Explanation might be of reactions to change (Napier

1989). Historical-experience-based explanation would attribute reactions to

culture of resistance (see Chapter 3, section 3.2). Empirical evidence supports the

latter interpretation.

The intensity of employee development system is also evident in Alpha Group,

where: 'management talent appears by itself (2/3), with: 'all directors had 1 year

training, now it's ongoing' (2/9), with coaching for behaviour modification: 'we try

to change weak points' (2/6). These elements, including training, are a part of

performance management cycle, as summarised by a Customer Relationships

manager:

Before the merger with (*name withheld*), we had no HRM methods, after the merger,

implemented. Development - coaching, phases of organising, planning, annual assessment,

3 phases, is done by a team manager, senior manager confirms, can veto the decision. The

grading is 70% development, 30% training - HRM evaluates. Coaching eliminates problems; 2 times a year there is feedback, praises, corrections of behaviour, annual appraisal, a contribution (to the company). If a D, then procedure as per labour legislation, if a C, a plan for improvement in a written form (2/4).

The above account is evidence for using HRM as instrument of managerial control in CEE multinationals (Hardy et al. 2005; Kahancova and van der Meer 2006).

Pragmatic use of training programmes is characteristic of Omicron, with focus on: 'soft skills' training', on which a female manager commented: '[she] didn't notice that anyone changed management style' (3/3). Nevertheless, there is willingness to try new techniques: 'I try to practice… for every day, I use elements, mainly conflict management' (3/3), with some reservations: 'I try to find out when I instruct someone how to manage not to offend him, or her' (3/6). Thus, training appears to be perceived as learning on how to use a tool. Another interpretation is that of use of elements of practice as pragmatic segmentation of Kostova and Roth (2002).

To sum up, all case companies are broadly similar in a content of training programmes, except for talent management and language training in FDI companies. Another similarity is that training is delivered by outside companies. Explanation might be that outside companies implement innovations in order to by-pass reluctant managers (Taylor et al. in 1994 in Elger and Smith 1994). Another similarity is that training is largely (in 60%) financed by the EU. The significance of subsidised training is that companies are able to implement high-cost HRM practices like competency model or MBO. In contrast, some transfer literature finds that running and implementation costs are a barrier to practice transfer (ibid. 196). Differences lie in perceived intensity of training - developmental activity in FDI Beta Group and Alpha Group, and in pragmatic training approach taken by a non-FDI Omicron. There is evidence that local

managers' ability to transfer does not affect their willingness to transfer, as shown next.

In the next two sub-sections, I examine target outcome of training as a part of managerial learning – behavioural and cognitive change (Child and Markoczy 1993). While behavioural change is 'accessible to observation' (Villinger 1996:186), cognitive change is 'more difficult to determine' (ibid.). In this study, both type of change are measured by local managers' understanding of: a) manager-owner relationship (see Table 5), and b) managerial role focus (see Table 6) to show how managers evaluate concepts and apply them in practice. In addition, I note how cognitive change is communicated by vocabulary.
The label in the next sub-theme comes from the language of an Alpha Group senior manager and 'selling labour' is his metaphor for behavioural change in a sense of managers' transaction-driven approach to work. A metaphor of 'adding value' comes from the language of a Beta Group manager and is a metaphor for cognitive change in a sense of employee objectification (Bukharin 2006).

5.3.2 *Selling labour versus adding value*

In this sub-category, local managers put theories learned to practice and relationships are being established on two levels – with owners and with subordinates. I describe relationship with subordinates in the next sub-section. Managers are selling labour to owners, and some managers are adding value. The unity of companies' and managers' goals is being taken for granted. External pressures of transition to market economy (Martin 2006) will support owner-manager relationships. A process of looking after self is developing. 'Selling-labour' managers (in Table 5) seek values important to them – self-actualisation, autonomy, 'freedom from', the development of competencies, money. 'Adding-value' managers (ibid.) seek values important to them – status of position, prestige, and

objectify themselves and others in pursuit of company goals. The consequences of selling labour is self-interest with distancing from owners' values. The consequences of 'adding value' is duality of personal and work values (cf. Kunda 1992) with distancing from subordinates and their concerns. This type of duality of values is different from duality of societal and personal values of historical experience (see Chapter 3).

Table 5 gives a view of analysis related to behavioural and cognitive change, with a summary, followed by examples, illustrations, and quotations from the data.

Table 5: Local managers: manager-owner relationship

| Descriptions | Language | FDI | | Non-FDI |
		Beta Group (1) (i)	Alpha Group (2) (i)	Omicron (3) (i)
Behavioural change	commercial awareness, 'selling labour'	s (i)	m (i)	s++ (i)
Cognitive change	'adding value- 'make owners happy', 'minimise human costs', 'we are hired labour'	s (i)	s (i)	w[3] (i)

Legend: (i) interviews-based evidence
  (d) documents-based evidence
  (o) observations-based evidence
   s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
   m (moderate, <5)
   w (weak, 1-2)

Table 5 shows similarities of behavioural change in FDI and non-FDI companies. The differences lie in strength of evidence. Significant behavioural change is of self-interest and appears to be strongest in a non-FDI company. The explanation here is that managers in a non-FDI company have more control over employment relationship. Another possible explanation is that most managers in Omicron have FDI experience - a context for developing behavioural change. The data supports both explanations. Two FDI companies also differ in behavioural change. Strong evidence of behavioural change in Beta Group can be explained by concurrent

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[3] relate to processes- 'must implement vision and mission' (3/6), and 'cost-reduction' (3/3).

fieldwork and practice implementation. Similarities in cognitive change relate to FDIs with strong evidence for both companies. Differences in cognitive change are between FDI companies - strong evidence, and a non-FDI company - weak evidence.

The significance of behavioural change of self-interest in managers is that it contradicts the aim of training programmes of producing behavioural change, such as commercial awareness that benefits organisation (Child and Markoczy 1993). The significance of cognitive change in managers is that it goes beyond commercial awareness and implies change of beliefs such as putting employer's interests first, thus objectifying employees. Some examples follow.

Commercial awareness is evident in all case companies, with managers describing their goals as: 'most important is profit' (1/12), and: '[I] try to get the regions to meet their targets' (1/8), with cost cutting: 'awareness of cost reduction' (3/6), and new processes: 'understands efficiency of standardisation' (3/6).

Selling labour or work-as-transaction attitude is expressed by all case managers. Typical responses are: 'I do what I am paid for' (1/12), and: 'I work for the time that they pay me for' (2/3), and: 'I work to earn money, it can recompense for shortcomings in nice working atmosphere, pleasant team, good HR policies' (1/7). An Alpha Group manager's attitude to the workplace is: 'It's a place to earn money, let's establish some rules on which to sell our labour' (2/10). Similar views are also held by employees, as reported by a Beta Group manager: 'many people were given new responsibilities without compensation, couldn't stand it and left… young people have no sentiments' (1/4). This view is confirmed by a foreign manager: 'people don't take responsibility [for their work], if not compensated… do not feel loyal, leave for money' (1/9).

In contrast, some local managers with cognitive change demonstrate behaviours of prioritising client-shareholder interests: 'looking after clients and the owner, make it easy for the user' (1/6) and: 'client satisfaction, the owner happy, then my goals are achieved' (2/6). Employees serving client and shareholder interests are objectified to systems: 'We pay for the work exactly how much it is worth, it adds value', with tasks and targets set to: 'take down the responsibility to the level of individual employee' (1/12), because: 'employees must create the bank' (2/1). A Beta Group manager describes the advantages of teamwork:

Employees have been appraised for many years, now the jobs are evaluated and priced. In my team, all members can do the same work, are inter-changeable. In the past, back office hugged work... people didn't share knowledge. It's all changed now; I achieved it by replacing a team leader... I standardised all processes, I put in machines to reduce employment levels. I minimise human costs, and eliminate manual labour and paperwork to the maximum. Staff turnover... you have to constantly recruit and train them, they becomes fully effective after 1 year, when they reach a certain level, they leave for a bit more money (1/4).

The language of the above account demonstrates cognitive change. The manager's technocratic vocabulary portrays dehumanised employees as units of production. Employees are termed as 'they' and 'human cost' that is 'inter-changeable'. They also appear to be a nuisance as the manager comments on employment levels: 'I minimise', 'I eliminate' and 'I put in machines'. Another manager in Beta Group (1/6) demonstrates similar dehumanised attitude towards subordinates and cognitive change by use of sports/militaristic vocabulary: 'employee is eliminated' for 'not supporting the company's vision'. She also appears hesitant about her ethics: ' I am very determined to realise the goals...using any means, which are in agreement with moral and legal...organisational goals not my own'. Explanation for the above contradiction might be of duality of values (cf. Kunda 1992; Todeva 1999), that is, of split of societal/personal and work values.

To sum up, training programmes give local managers the ability use newly learned concepts. Changes in behaviour – self-interest, and cognition – objectification to owner/shareholder interests are unintended consequences of change.

The next sub-theme focuses on perceptions of the managerial role with the label of 'hired labour' linked to 'adding value' and denoting cognitive change. The labels of 'navigating' - for stakeholder approach and 'socialist paternalism' - for looking after people denote higher and lower levels of behavioural change. I show that most managers in FDI and non-FDI companies mix elements from neo-liberal, social democracy and socialist paternalism approaches.

5.3.3 *Hired labour versus navigating*

In this sub-category, managers have different understanding of their role. Some local managers focus on owners and clients, some navigate between stakeholders, and some look after subordinates. Implementing concepts learned by local managers is being taken for granted. Different perceptions of management roles will be supported by different value systems – traditional or neo-liberal. Workplace experiences will form new values, or impede forming new values. In managers' minds, connections can be made with national and regional identity, embedded in historical experience, and with current external pressures of transition, and pre-1989 system. A process of managing internal environments is developing in conditions of workplace transformation with manipulating or passivity. Manipulating or passive attitudes change when external environment becomes more stable. The consequences of owner-and-client focused approach are passivity with duality of values. The consequences of stakeholder and/or subordinate approach is managing without conflict of values.

Table 6 gives a view of analysis related to behavioural and cognitive change, with a summary, followed by examples, illustrations, and quotations from the data.

Table 6: Local managers: managerial role focus

| Descriptions | Language | FDI | | Non-FDI |
		Beta Group (1) (i)	Alpha Group (2) (i)	Omicron (3) (i)
Cognitive change: neo-liberal	'hired labour', 'natural selection', 'basic employee'	s (i)	s (i)	w[4] (i)
Behavioural change (higher level)[5]: social democracy	'navigating' - (between stakeholders), 'manipulating', 'have influence'	m (i)	s (i)	s (i)
Behavioural change (lower level): socialist paternalism	'they can come to me'	s (i)	s (s) m[6] (i)	s (i)

Legend: (i) interviews-based evidence
(d) documents-based evidence
(o) observations-based evidence
s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
m (moderate, <5)
w (weak, 1-2)

Table 6 shows similarities of strong evidence of cognitive change in FDI companies. Another similarity is of strong evidence of lower level behavioural change in a form of socialist paternalism in FDI and non-FDI companies. Another similarity is higher-level behavioural change of social democracy in both types of companies. The explanation for these contrasting findings is that managers in all companies use a mix of approaches. The differences are twofold. First, lack of cognitive change in a non-FDI Omicron. The explanation might be of prior evaluation of practices and concepts by local managers who are also ex-FDI managers. Another explanation might be of transience of new values (Struzycki

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[4]another explanation might be that training programmes run by German consultants in Omicron transfer social democracy, rather than neo-liberal concepts. This explanation seems too narrow, as many Omicron managers previously worked for FDI companies.

[5] lower-level and higher level behavioural change concepts aim to differentiate between superficial change of adaptability, and of more complex ability to operate in new market conditions.

[6]some interviewees stated that: 'people want to look after themselves' (2/10), the opposite of being looked after.

2001). The second difference is of moderate evidence of higher-level behavioural change in FDI Beta Group. The explanation might be that of early-phase implementation of practices with resistance from managers (Napier 1989). This explanation is based on findings from M & A (mergers and acquisitions) literature that resistance to change subsides after 1 year (ibid.), and is supported by evidence from Alpha Group with well-embedded practices.

The significance of weak evidence of cognitive change in Omicron is that management concepts had been evaluated and rejected. More importantly, transfer of practice with target cognitive change – internalisation (Kostova and Roth 2002) is limited. This finding does not support modernising or integration approach (cf. Bartlett and Ghoshal 1995). The data shows that local managers employ a mix of management concepts, thus transfer is limited and/or selective, and practices become customised. Some examples follow.

The 'hired labour' approach with adding value via people is characteristic of some FDI managers: 'we pay for the work exactly what it's worth...specialists are very expensive (1/6). In Beta Group, a system of ideology, work discipline and financial control includes organisational culture: 'I talk to every employee once a month to bring closer our vision, it's a part of MBO' (1/12), and is applied to different employee types:

There are sales targets monitored every day, people can't always take time off in lieu, work very hard, can't manage. 'Anchor hired labour' are delegated to, they sit here for 10, 11 hours 4 days a week, adequate conditions and pay, appropriate working atmosphere, for example integrative social events and Christmas parties. Everybody would like to be in a position of being delegated to, intelligent… he is bound to cost a lot. Do we need many of these? In effect, an employee should be basic (1/12).

Cognitive change in the above statement is demonstrated by the use of dehumanised and objectifying language of: 'anchor hired labour' and 'employee should be basic' (1/12).

The navigating approach implies steering a course between different stakeholders, negotiating and compromising, and being able to influence, or to manipulate situations for target outcomes. An Omicron manager explains: 'it's a kind of manipulation, a feeling I can influence decisions' (3/9). A Beta senior manager is teamed with a foreign senior manager: 'we have different opinions which we respect, we reach compromise...I have my own opinions and fight for them' (1/10), but gets involved with people on many levels:

We've been teaching our directors new behaviours, in the network not so easy. I look at the network, I understand it, I worked every single position in it. Our changes are well thought out... we ask what's happening, we hold meetings... we then talk and look at options - training? short-staffed? efficiency improvements? we collect best practice, with that our colleagues travel and help. I've got loyal and happy employees... sometimes I hear that they do their jobs for me... if they make a mistake, they must come and tell me, we'll look for solutions (1/10).

The socialist paternalism approach is associated with looking after people. Called by managers 'natural', or management 'by instinct', it has elements of strong leadership, collectivism and autonomy, as described by an Alpha Group manager:

I manage 52 people, we address each other by our first name regardless of position...the key to my success are relations between myself and the employees, we are one team, the relations have to be balanced...this created very pleasant atmosphere, we have many examples...some work on their own initiative, some undertake tasks, some can exert themselves more because they feel good in a workplace. These methods were for me natural, I managed by myself, acted intuitively, had no [training] materials (2/2).

In navigating and socialist paternalism approaches, the management role for FDI managers includes: 'responsibility for oneself and others' (2/5), while motivating: '[I] try to reason with them, get to know them' (2/4), via non-monetary rewards: 'sometimes I have an invitation, a concert, can pass it on' (3/2), and achievement via employees: 'what gives me the buzz is success of my employees' (2/2).

In Beta Group, a senior manager has people focus, and not task focus: 'create good working atmosphere, promote co-operation, I do everything to avoid unnecessary stress' (1/4). In a non-FDI Omicron, managers expect autonomy in decision-making and influence on policies: 'I can make decisions' (3/7), and: '[I can] accomplish tasks, have influence' (3/1), and: 'I divide bonus, decide priorities' (3/2), and is summed up by the statement: 'management is art, the superior's role is to help, demand, give autonomy' (3/6). Understanding of managerial role is that of social democracy, with all as stakeholders, as in continental business model (Handy 1995), also noted in CEE literature (Filatotchev et al. 1999; Suutari 1998).

Evaluation of Western management concepts leads local managers to reject some concepts in order to be able to be able to manage without conflict of values: ' we blindly copy American models… it can't be done… one should be able to evaluate, not necessarily must be good' (3/6). Another manager describes her view of a career: ' [I'm] not a type over-my-dead-body and can treat people like objects. All that comes from the West…doesn't have to be introduced at any price' (3/3). Another Omicron manager comments on effectiveness of HRM practices:

There are so many SMFs [*small and medium firms*], in many, the owners don't use methods, but the firms function normally, people are intuitively guided as to how to do things. In large corporations, these methods are widely used for organising. In comparison, we don't use Western methods alone. In banking we cannot function within framework, we can standardise. In others,…repetitive task methods work well (3/7).

The above statement contains a comment on adequacy of intuitive management unlike the romanticised view of management (Furusten 1992 in Kostera 1996), with negative evaluation of Western working methods perceived as mechanistic. Discussion on Western and socialist managerial concepts continues in Chapter 2 (2.3).

To sum up, local managers tend to mix management concepts from different approaches in order to manage their work environments, according to their understanding of managerial role focus. The data analysed in this section shows that behavioural and cognitive change via training is limited, as HRM practices are evaluated in the light of effect on self and others. Behavioural change of self-interest is noted in owner-manager relationship, with cognitive change of passivity/duality in values in some managers. Managerial role focus shows a mix of approaches with neo-liberal, social democracy and socialist paternalism concepts.

The next section concerns local managers' values. Its aim is to explore evidence of traditional values supported or not by historical experience with national and regional identity traits, and by recent experience of transition and pre-1989 system. Cultural fit of HRM practices affects support for HRM practices. In three sub-sections, first I address national identity traits, second – regional identity traits, third – external pressures. The label of the next section comes from the language of an Alpha Group manager, and implies excess of ideology of capitalism.

5.4   Choking on capitalism

In this category, there are traditional values perceived as non-Western (Huntington 2002) with experience of transition and cultural memory of socialism. Managers are adapting, but not accepting all concepts transferred. External

pressures of transition maintain ambivalence and contradictions of past and present concepts. In managers' minds, connections are being made with concepts acquired in managerial learning process. A process of managing external and internal environments is developing. Some managers create own solutions with a mix of concepts, transferring elements acceptable to them and others. Some managers attempt to transfer standard concepts. The consequences of creating own solutions are customised practices. The consequences of imposed new values are duality of values with ambivalent transfer. These findings are a result of data analysis of this category, as shown below.

The next sub-section on national identity traits has a label from the language of an Alpha Group manager, implying that Poles are different from Western employees.

5.4.1 Poles are rebellious

In this sub-category, there are national identity traits with romantic nationalism (Lepkowski 1989), self-actualisation (Budzisz 2004 in Tomczonek 2004), and 'work-to-live' attitudes. Managers are saying that they are adapting or that they cannot accept all, or that they reject new values. Adapting national values to global values is being taken for granted. External pressures support national identity and neo-liberal behaviours con-currently. Actions and statement of managers will change when co-existence of mixed value system is acknowledged as acceptable. In managers' minds' connections to historical past and pre-transition period are being made. A process of variation in reactions is developing in conditions of workplace modernisation. A process of using national identity as a resource is developing in manipulating or passive behaviours. Some managers deny that national culture is meaningful, some use national identity traits to justify lack of transfer of practices, some re-instate old concepts under new labels.

The consequence of denial is passivity/duality of values, the consequences of acknowledging cultural identity is re-labelling concepts or developing hybrid practices.

Table 7 gives a view of analysis of this sub-category, with a summary, followed by examples, illustrations, and quotations from the data.

Table 7 shows strong evidence of similarity of national traits across FDI and non-FDI case study companies. There are surface differences between FDI companies and a non-FDI case with ambiguous evidence, denials, absences and evasions on topics of national culture or socialism. Explanation for similarities of national identity traits across all cases appears to be experience of transition, as detailed in sub-section 5.4.3. Explanation for denials and evasions of socialism is that managers do not to want to be associated with de-institutionalised system. Another explanation might be of methodological nature (see Chapter 4, sub-section 4.5.1).

The significance of these findings is twofold. First, that reinforced in experience of transition national culture traits provide limited support for HRM practices. Second, concepts associated with the former socialist system have to be re-labelled or re-named to be acceptable. The latter is elaborated in sub-section 5.4.2. Detailed illustrations of experience of transition follow.

Table 7: National identity traits

Description	Language	FDI		Non-FDI
		Beta Group (1) (i) (o)	Alpha Group (2) (i) (o)	Omicron (3) (i) (o)
Romantic nationalism – ex-regional power	'we Poles', 'Catholic mentality, emotional, sensitive', generosity of giving without expectations of return, dislike for rules	s++ (i) s (o)	s (i)	s (i) m[7] (i) s (o)
Work-to-live – Working conditions, family	'pleasant atmosphere', 'feeling of stability'	s (i)	s++ (i)	s++ (i)
Self-actualisation: autonomy, freedom from (historical, socialist or neo-liberal post-materialist)	'independence', 'freedom, dynamism', 'intellectual challenge, creativity'	s (s)	s (i) w[8] (i)	s+ (i)

Legend: (i) interviews-based evidence
          (d) documents-based evidence
          (o) observations-based evidence
          s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
          m (moderate, <5)
          w (weak, 1-2)

Using national traits as a resource by local managers means that national culture serves a purpose of identifying with the West, or of manipulating FDI workplace environment. Being European and a part of the EU means being modern as opposed to old-fashioned. Old-fashioned would imply identifying with the old, discredited socialist system. Local managers commented on national culture in a contradictory manner: 'I see no problem with national values' (1/11), and: 'I don't see the conflict… Poles are a stubborn nation, rebellious, determined' (2/3). The first phrase indicates that national and Western values do not conflict. The second phrase implies the opposite – the specificity of Polish character with honour

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[7]contradictions – interviewees deny national culture plays any role.

[8]interviewee states: 'can't expect autonomy, we are hired labour' 2/2.

(Lepkowski 1989) and cultural memory of resistance elaborated in Chapter 3 (sub-section 3.2.2). Explanation might be of historical experience with Western and non-Western identity traits (Huntington 2002). Another explanation is that denials and evasions are noted in CEE literature and interpreted as politics and sensitivity of the research context (cf. Balaton 2004 in Clark and Michailova; Nojonen 2004 in ibid.). These explanations appear to be valid and non-contradictory.

General references to national traits are: 'Poles are attached to places, home, family, job, we live here, we'll die here…mentally, we are a catholic country' (2/4). The above phrase illustrates a manager's understanding of historical experience as explanation for behaviours, and specificity of national identity traits. References to historical past are made while denying its significance, as in the following extract from an interview with an Omicron senior manager:

I don't believe that my national values could be helpful or a barrier. National character - individualism of a nobility variety, strong influence of romantic attitudes, traditions of [political] resistance and conspiracy, frequent political irresponsibility of men, ability of organising/co-operation in conditions of threat, common protests rather than common building (3/10).

The above quotation could also be interpreted as a personal reflection on being different from guided-by-national-values managers. This interpretation implies the manager's perception of self as Western in a context of his prior experience of FDI companies and continuous professional development with help from management books and courses.

National traits are used by local managers in FDI Alpha Group and Beta Group to justify lack of transfer of practices. Differences with the West are acknowledged: 'behaviours are different here and abroad' (2/4), and: 'something in mentality,

reluctance to change' (1/5), and: 'We Poles, are that if a change is radical, we boycott it, no because no' (2/6), and 'Polish mentality – ruled by emotion, expect natural leader' (1/2). These comments indicate lack of acceptance of new practices and of participative as opposed to authoritarian management style. The first phrase indicates that national identity traits are regarded as different from Western traits. The second phrase indicates romantic nationalism (Lepkowski 1989). Another explanation might be of expression of 'freedom from' concept (Weaver 2003), or of culture of resistance (see Chapter 3, sub-section 3.2.2). The third phrase might express preference for authoritative power structures (Heffernan 1998) noted in the region's and Poland's history, as shown in Chapter 3 (section 3.2). Lack of acceptance of HRM practice of performance appraisal is illustrated next. According to a Beta Group HR senior manager:

Poles are very sensitive, are not keen to receive assessment, are very emotional about it and take it to heart, take it too seriously. Every year we have a revolution here, there are long discussions, it undermines their ambition (1/2).

The above quotation could be interpreted as a story of resistance to control, and expressions of self-actualisation and/or 'freedom from' (see Chapter 3 for discussion). Another interpretation from M & A approach (Napier 1989) would attribute resistance to reactions to change. The latter interpretation is less likely as resistance is recurrent: 'every year we have a revolution here' (1/2).

National traits acknowledged by local managers as historical are - generosity of giving without reciprocity, dislike for rules and for keeping things simple (Gajewska- De Mattos et al. 2004). An Omicron manager illustrates the first trait: 'People work, work, work and sometimes get something for it, but we Poles are like that' (3/3). This attitude is reminiscent of Poland as a 'defender of

Christianity' role (see Chapter 3, sub-section 3.2.2). Another Omicron manager clearly dislikes rules and feels the affinity with the French, but not the Germans:

We had an internal audit, when [*company name withheld*] wanted to buy a bit of us, and also [*company name withheld*], I noticed that the Germans wanted to do everything by the rule, but the French, it was fantastic to work with them. They were different, open, pleasant [they] don't create problems but solve them (3/2).

The above statement appears to confirm a concept of Western and non-Western values (Huntington 2002) with the Germans embodying the former (Beckerman 1995 in Walas 1995). Another example of dislike for rules is a statement of an IT manager, who works on cross-national projects. He admits that keeping things simple does not appeal to foreign partners as they: 'think in a box, don't go beyond it… a tendency to make simple things complicated' (2/7). The above comment was made in a context of difficulties of product development for the head office – that is, of attempted bi-directional knowledge transfer.

Quality of life - 'work-to-live' attitude is characteristic of local managers: ' I work to live, I won't sacrifice my family to a career" (3/7). Time spent at work requires: 'nice atmosphere' (1/4) and: 'co-operation with people' (1/3) with: 'job security' (2/4) and: '[I] value stability' (3/3), because: 'am a realist, work for someone as a human being' for: 'good life for the family, small luxuries' (3/4). As to money: 'I'm not motivated by it, won't make sacrifices' (3/4). An ex-FDI, now Omicron manager balances her priorities:

For me it's comfort to work until 16, 16.30, work for me is a source of income. I chose the employer – working hours, I prefer less [money] but more time at home with my child, I feel appreciated here. And employee services for me and my family, additional funding for children's holiday, and for my holiday, we have gift parcels for Christmas and Easter, theatre and cinema tickets. We all want it… (3/9).

The above quotation appears to confirm CEE literature's traditional values profile for Poland discussed in Chapters 2 (section 2.4), and 3 (sub-section 3.2.3). Alternative interpretation of 'work-to-live' attitudes would be based on demographic factors like gender and age. This approach is not being taken in the study.

Self-actualisation as a concept combines many elements. In FDI companies managers want to: 'see the sense of purpose of the whole task' (1/8), and to have: 'opportunity to develop' (1/8), with: 'satisfaction in my achievement' (1/5) and are: 'looking to contribute' (1/11). Alternative interpretation for the last phrase is of adding value – a neo-liberal trait. At non-FDI Omicron, local managers with prior FDI experience achieve autonomy and independence as their ultimate goal: 'bigger discretion and freedom' (3/1), 'high autonomy' (3/8), and: 'opportunity for intellectual challenge, creativity' (3/10). A senior manager describes his quest for work values:

A lot of freedom, autonomy in realising my goals… In my previous jobs I didn't succeed, [but] it can be found. I look differently, life is a certain process, one has to survive, cannot get locked into a framework, depends on the stage, possibility of self-actualisation…(3/10).

The above quotation could be interpreted as a story of survival with a happy-ending of recently achieved autonomy at work. Another interpretation of historic 'freedom from' idea appears to be associated with personal achievement, and a part of self-actualisation, evident in a socialist 'right to manage'. In CEE literature, autonomy is linked to 'laissez faire' management style of socialist period (May et al. 2005). On non-managerial levels, managers report that attitude of employees is: 'people don't want to get attached' and that: 'people want to look after themselves' (2/10), that I interpret as expressions of 'freedom from' idea.

Thus, self-actualisation is aspired to on managerial and non-managerial levels in FDI companies, and achieved in a non-FDI company. However, another example shows alternative explanation - of transience of values (Struzycki 2001). At some point in managerial career, values of 'freedom from' may change and become 'work-to-live':

This is complex… first, the position alone gives one satisfaction, after 2-3 years every dealer seeks higher salary, then we have a lesson in humility, stop believing he is the best in the world, then stability, family, everyone experiences it… that's how I started, the market brings us to our knees, I licked my wounds (2/8).

To sum up, national identity traits are broadly non-Western with romantic nationalism, 'work-to-live', and self-actualisation. Strong evidence of national traits provides explanation for lack of acceptance of some management concepts embodied by HRM practices. In the next sub-section, I consider regional identity traits like collectivism-based ideas of teamwork and organisational culture that appear to be negatively associated with the former system.

The label of the next-subsection comes from the language of an Omicron manager and reflects her egalitarian view of a collective.

5.4.2 *No need to compete*

In this sub-category, there are un-voiced and misattributed regional identity traits of collectivism, egalitarianism and passivity/adaptability. Some managers are associating regional traits with cultural memory of socialism and re-label practices to make them acceptable. Some managers are drawing on historical experience, using 'freedom from' and individualism to distance themselves from the employer. Western management concepts combine values from collectivism and individualism. Acceptance of contradictory concepts is taken for granted. In

managers' minds, connections are being made with experience of transition and a pre-1989 system. A process of variety of reactions is developing in local managers to accommodate contradictory values. Some managers will focus on professional identity, some on self-interest, some will retreat to creating own solutions, some - will negotiate a compromise. The consequences of variety in reactions are - ineffectiveness of standardised practices and a tendency of local managers to customise practices for cultural fit.

Table 8 gives a view of analysis related to this sub-category, with a summary, followed by examples, illustrations, and quotations from the data.

Table 8 shows fundamental similarities of presence of regional traits of collectivism, egalitarianism and passivity/adaptability across FDI and non-FDI case companies. Differences are in strength of evidence between companies. Evidence of regional traits is moderate to weak, and less pronounced than of national identity traits (see Table 7). Surface egalitarianism is claimed as evidence of neo-liberal values and modernity in FDI Beta Group, but opportunistic observations do not support it. Historical egalitarianism of non-awareness of hierarchies is strong in a non-FDI, but weak or moderate in FDI companies. The explanation might be that these concepts are re-labelled as neo-liberal, thus with ambivalent meanings and open to dual interpretations. An example is a concept of a collective, in managers' minds associated with socialism and re-labelled as teamwork. The significance of re-labelling is misinterpretation, thus leading to misapplied HRM practices (see 'Pretty slogans' in section on content of HRM practices). There is weak evidence of passivity/adaptability in a non-FDI Omicron, and during new practice implementation in FDI Beta Group. In contrast, In Alpha Group with well-established practices of 3 years evidence of passivity/adaptability is moderate. Detailed illustrations follow.

Table 8: Regional identity traits

| Descriptions | Language | FDI | | Non FDI |
		Beta Group (1) (i) (o)	Alpha Group (2) (i) (o)	Omicron (3) (i) (o)
Collectivism	teamwork: 'evaluate and measure'		w (i)	
	creating a collective: 'we are a harmonious team'	m (i)		m (i)
Egalitarianism	egalitarianism-surface: first-name terms	s (i) w(o)	w (o)	w[9] (i)
	egalitarianism - historical: 'lesser awareness of 'hierarchies'	w (o)	m(o)	s (i)
Passivity/adaptability	'raw material in organisation 'accept', 'adapt', objectification (Bukharin 2006) of self and others, 'have to adapt'	w (i)	m (o) m[10] (i)	w [11] (i) w[12] (o)

Legend:　(i) interviews-based evidence
　　　　(d) documents-based evidence
　　　　(o) observations-based evidence
　　　　s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
　　　　m (moderate, <5)
　　　　w (weak, 1-2)

Three examples of teamwork illustrate different meanings of collectivism. The closest to the regional concept, I speculate, is a Swedish autonomous team style, combining elements of individualism and collectivism (Thompson and Sederblad 1994 in Elger and Smith 1994). Some FDI managers attempt to implement ideas that conflict with regional understanding of the concept, such as top-down approach with team leader/manager, individual competition between team members, and knowledge sharing while competing.

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[9]interviewee rejects first-name terms as familiarity – rejects Western values.

[10] interviewees claim they don't expect autonomy – passivity.

[11]interviewees claim they adapt - adaptability, flexibility.

[12] interviewees claim they have to adapt – passivity.

In Beta Group, a foreign manager runs a team of Polish software developers with: 'conflict all the time'. He misinterprets creative discussions among team members prior to commencing a task as: 'a debate culture, and not target-driven approach', and expects team members to follow his instructions. The responses are: 'I don't want to do it' and: 'Please leave me alone'. He is not able to change his team's style of work, but admits that the quality of work is very high: 'implementation goes very smoothly' (1/9). Another manager –a Polish national, applied a new teamwork concept for one year:

I tried very hard to evaluate and measure; I verified our knowledge base... part of it is shared, to split our duties fairly... [members] have to rely on each other, engage in common goal, the values being promoted by organisational culture and teamwork... (1/5).

The responses from team members were of resistance: ' "because we always did it", and "I know everything"... I talked in groups, everyone has a different opinion, denials...and it created a feeling of unfair treatment'. The manager subsequently lost her position: 'results were worse, that expected, perhaps the targets were set too high'. Thus, above examples show how a prescriptive team concept is resisted. Another explanation for dislike of teamwork reported in CEE literature (Czupial 2000) might be the effect of cultural memory of socialism. In socialist workplace, professionals were managed with 'laissez faire' style, and lower grades employees worked in collectives with measurable targets (see Chapter 2, sub-section 2.4.2), thus mental association of teamwork with its loss of decision-making power and autonomy would be negative.

In contrast, at non-FDI Omicron managers believe that teams should be small, with collective decision making, sometimes within-team: 'share knowledge, help each other, no differences when dividing a bonus...we force cooperation' (3/3), sometimes including the board of directors: 'project work has a bonus budget,

manager suggests, board decides, manager divides' (3/9). Members who do not conform to group norms are excluded: 'organisational culture is a personal feeling, we are a harmonious team, work well together. Others…we come across others, we ignore them' (3/6). Individual competitive behaviour is discouraged and rejected:

Teamwork suits us… people can and want to work together. People from large banks bring negative behaviours here – is it their nature, or acquired…gives the impression of being open, friendly, but when someone makes a mistake, he drags it out in public. When I talk to him, lonely, forces himself on others… if he doesn't do his job, there are consequences. We are all specialists here, no need to compete (3/3).

The above narrative could be interpreted as a story of reversal of change (Greenwood and Hinings 1988), where an ex-FDI employee with behavioural change is re-socialised into traditional, collectivist teamwork. Thus, team concept is re-interpreted and applied as a regional concept of collectivism and egalitarianism with equal-status members that follow group norms (Camiah and Hollingshead 2003). Another explanation might be of historical-experience-based distrust of the West (Chapter 3, section 3.2).

Next, I consider egalitarianism, and the next label comes from the language of an Omicron manager and expresses belief in equality.

Regional or historic egalitarianism means that all are equal regardless of position in the company. HRM practices with performance pay and competencies introduce hierarchies and rank people, hence incompatibility with egalitarianism of the region (Danis and Parkhe 2002), and with social democracy of continental Europe (Kolankiewicz 1996). A Beta Group manager notices the effect of competency framework: '[there was a] 'lesser awareness of hierarchies before' (1/7). Surface egalitarianism (Pfeffer 1994) manifests itself in using first-name terms, but does not compensate for hierarchical structures.

Historic egalitarianism in FDI companies is evident in the language of local managers and employees who refer to 'foreign owners' as people putting up capital and entitled to make decisions. Management and CEE literatures note that non-Anglo-Saxon managers do not occupy a special status (Pavlica and Thorpe 1998; Schneider 2002). In FDI study companies managers are: 'hired labour' (2/2) of owners of capital supervising 'basic employees' (2/4). A status of a Beta Group MD is, according to a local co-director:'[he] represents the owners, and we both set up new structures' (1/10). Thus, all who work – managers and non-managers are in a sense, workers, as opposed to owners. Alternative interpretation of egalitarianism as dislike for authority and hierarchies (Whitley and Czaban 1998) is of a former socialist system discussed in Chapters 2, 3 and 6.

Surface egalitarianism in FDI companies is encouraged, but not always practiced. When a Beta Group manager addresses his subordinate, the form of address becomes a hybrid: 'Miss Eva' (1/12). In non-FDI Omicron, manager recollects behaviour of a foreign board member who used to address her by her first name: 'I don't take to it, it irritated me, I won't allow myself this familiarity, it was awful…He was to represent our firm' (3/2). Surface egalitarianism is unfavourably

compared with historic egalitarianism of the previous management by an ex-Beta Group manager:

When the company didn't have a foreign investor, you could go and see the chairman. In 2003, you could still ask for a meeting. I know someone who requested a meeting, it was booked and then cancelled, but personnel knew about it and the decision was made by the chairman in favour of the employee. She was told to make an appointment only if she was not happy about the solution. The current chairman, if anyone writes to him, he never replies, a complete lack of respect…he is English. The Polish board was more tuned into employee problems, more humanistic, now the employee is treated like a machine, to be replaced…(1/11).

This story of rejection of emerging values is reported in CEE literature (Camiah and Hollinshead 2003; May et al. 2005)) and supports a notion of historic egalitarianism of the region (Danis and Parkhe 2002), and also a concept of national identity traits that contrast with Western traits (Gajewska–De Mattos et al. 2004), as discussed in Chapter 3 (section 3.3). Furthermore, evidence from case studies shows that surface egalitarianism does not replace historic egalitarianism. Alternative explanation for surface egalitarianism might be of passive behaviours of managers, as shown next. The label comes from the language of an Omicron manager and implies attitude of passivity to inevitability of change.

All have to adapt

A concept of passivity or adaptability might be interpreted as negative or positive, as illustrated below. On the one hand, it might be interpreted as negative passivity – a regional trait (Gomulka and Polonsky 1990), on the other hand - as positive adaptability – a neo-liberal trait. For example, 'adapting' implies choosing to adapt and making decisions on pace and degree of adaptation, but 'having to adapt', or 'surviving' or 'submitting' or 'following instructions' implies passive behaviours, hence support for practices in the former, and lack of support in the

latter. Passive behaviour suggests that manager considers his role to be temporary, thus lacking commitment: 'one has to survive… cannot get locked into a framework' (3/10). Another interpretation of the above phrase is that of 'freedom from' concept. Passive and adaptive attitudes are expressed in a similar manner in FDI and non-FDI cases with differing degrees of strength of evidence. Local managers state that: 'we adapt ourselves' (3/2), or that: 'we have to accept that our bosses assess us in analytical way' (1/2). In effect, passivity becomes resigned acceptance of the system:

Unfortunately, with a large volume of tasks and products processes must be standardised, individual approach is not required… at work one is raw material shaped into an end product, important to adapt, difficult to say if I like it. My expectations are met, to follow instructions the best I can…' (3/6).

In Alpha Group with embedded HRM practices, passivity becomes more pronounced as evidenced by ingratiating statements: 'everybody likes it here' (2/10), and assurances that they do not plan to leave: 'I am loyal, work to make clients and owners happy' (2/6), also: 'I strongly identify with the bank. I had many job offers, didn't even consider them' (2/2). Thus, passive behaviours present in all case study companies are rather indicative of lack of support for HRM practices. Alternative explanation is of objectification of workers in capitalism (Bukharin 2006), as discussed in Chapter 2 (section 2.4). Another alternative explanation of passivity of managers in CEE literature is of indifference to management initiatives (Hurt and Hurt 2005) or as 'defensive coping behaviours' (Kolankiewicz 1996) originating in socialism as discussed in Chapters 2 and 6.

Experience of transition reinforced traditional values, as shown next. The label comes from the language of the Beta Group managers and is a metaphor for current and previous systems.

5.4.3 Power of money versus certain political system

In this sub-category, there are perceptions of transition with current and previous political systems. Managers are saying that the current system is unstable (Villinger 1996) and its effects - unknown. They allude to the previous, de-institutionalised system, and compare the extremes of both systems. Acceptance of change of political system by local managers is taken for granted. In managers' minds, connections can be made to expectations and the reality of transition. A process of managing transient environment is developing. Managers feel in control, or not, and use adaptive or passive behaviours. Some pursue professional excellence, some negotiate between old and new, some create own solutions, some focus on a career. The consequence of adaptive behaviours in transition environment is development of new systems. The consequences of passive behaviours are duality in values and misapplied practices.

Table 9 gives a view of analysis related to this data with a summary, followed by examples, illustrations, and quotations from the data.

Table 9: Post-1989 experience of transition

| Descriptions | Language | FDI | | Non-FDI |
		Beta Group (1) (i) (o)	Alpha Group (2) (i) (o)	Omicron (3) (i) (o)
Post-1989 experience of transition	'disillusionment', 'system merciless', 'lost heads', 'pressure to make money'	m (i)	s+ (i) m (o)	m (i) s (o)
Pre-1989 system	'certain political system', 'it was like that years ago'	m (i) w (o)	w (i)	w (i) s (o)

Legend: (i) interviews-based evidence
(d) documents-based evidence
(o) observations-based evidence
s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
m (moderate, <5)
w (weak, 1-2)

Table 9 shows similarities in experience of post-1989 transition and pre-1989 system in FDI and non-FDI companies. Differences lie in strength of evidence - disillusionment with transition is strongest in FDI Alpha Group with well-established FDI practices. Explanation is feelings of instability and lack of control noted in CEE literature (cf. Ashwin and Popova 2006) and discussed in Chapters 2 and 3. An alternative explanation is that local managers experienced hardships of transition in childhood. Another similarity is experience of pre-1989 system in FDI and non-FDI companies, and differences lie in strength of evidence. Evidence of cultural memory is strongest in FDI Beta Group with a newly implemented HRM practice. Evidence of cultural memory of socialism is weak in two remaining companies. Explanation is that cultural memory of a de-institutionalised system exists as a reference point for evaluating new concepts. Thus, managers involved in practice implementation compare practices from both systems. The significance of disillusionment with capitalism is that some new concepts will be rejected, and of cultural memory of socialism is that some old concepts will be retained. Examples follow.

Environmental instability affected managers' professions and careers. Experience of working for FDI companies created perceptions of FDIs' business goals as global and affecting societal and personal interests. Managers' personal reflections on transition acknowledge the extreme model of the new system and the elements of social democracy in the former system.

Insecurity of past and present transition is alluded to by managers: 'our reality is very mobile' (1/6), with interviewees' frequent job changes: 'some time ago I had 5 employers over 3 years' (3/4), or a change of profession: 'in 1997 from engineer to management' (3/10), or a new degree: 'went into banking in 1989… in 1997 I went to study banking with Western textbooks… life throws many challenges at us' (2/5). In Alpha Group, a senior manager reflects on societal effects of transition:

Now we have good times, women have babies… picture before was less optimistic. 1990, in January – 70% interest rates, hyperinflation, people were shocked, desperate to repay. People see that governments were changing, but not able to deliver. Experience of transformation left people disillusioned… have no expectations as to the state, want to look after themselves (2/10).

The above story of past hardships provides explanation for present feelings of disillusionment with transition outcomes noted in CEE literature (Kolankiewicz 1996; Stiglitz 2002; Svejnar 2002). Current effects of transition, according to managers are: 'government has no tool to provide protection for society' (1/8), and with future effects unknown: 'transformation in 89, we don't know how capitalism…the power of money…' (3/10). However, some managers re-assure themselves that: 'these methods produce economic success', e.g. USA' (1/2), and about inevitability of capitalism: 'cannot accept everything but it functions all over the world' (3/6). Explanation might be that the neo-liberal business model is diffused via business schools and books, as shown in transfer literature reviewed in Chapter 2 (sub-section 2.1.2).

Foreign companies' business goals are acknowledged as pursuing market share of global business: 'entered the market here, started changes' (1/7). An Omicron manager experienced: 'Swedish equity, interested in plan, conformity, subordination, if targets not met, no bonus…no one said anything though, lack of transparency' (3/4). An Alpha Group manager describes her early-phase experience:

It was a Polish bank, restructured in 1989, until the Germans came in, German, Austrian [systems], only targets and goals… Lots of frustration, workforce changes, people were worried about their positions, if someone did not reach target for a quarter, after 1/2 year had job contract terminated… we made the highest profits here [*name removed*] in Poland,

they had losses in Austria, Germany… we worked to cover the losses, to make money for the whole group in Europe (2/5).

Thus, managers' perceptions of FDI companies are of value-maximising global entities with uniform working practices in line with critical management literature on FDIs (cf. Eden and Lenway 2001; Martin and Critescu-Martin 2002). Alternative explanation might be of cultural memory of socialism that portrayed exploitative nature of capitalism (Pietrasinski 1975). Both explanations are non-contradictory and warrant further studies.

An extreme model of the new system was created as the result of mismanaged privatisation, according to local managers: 'It happened because there was no vision…when the money was needed, a decision was taken… there was no long-term policy' (1/8). The reason for transition was economic constraints: 'the government was burdened, Polish debt' (3/6). The effect on national economy is negative: 'if I have no control [over] the banking sector… foreign banks are not interested in helping companies to survive' (1/8). Comparisons with outcomes in other CEE countries are being made, sometimes accurately: 'Slovenia… state-driven… protected employee rights… economic system changed, mentality didn't (2/10), sometimes not: 'in Hungary they said: "We don't sell banks" (1/8). This view of mismanaged privatisation is confirmed in CEE literature (Ewing et al. 1993; Kozminski 1998; Svejnar 2002, as discussed in Chapters 2 (sub-section 2.1.1) and 3 (sub-section 3.1.2).

The pre-1989 system is opaquely alluded to, and becomes cultural memory of socialism - un-acknowledged and un-named. Socialism is termed as: 'a certain political system' (1/8), or: 'before 1989' (1/12), and: 'people grew up in a different culture' (2/5). Elements of social democracy are recalled: 'medical care was better' (3/6). Two systems are compared as: 'conservatism and modernism' (1/2), or

sceptically as: 'it was like that in Poland years ago, now in the opposite direction' (3/3). Local managers do not want to be associated with a discredited and de-institutionalised system and perceived as old-fashioned. Thus, the system is un-acknowledged or denied: 'I don't know the system of the previous era, employee evaluation was descriptive' (1/1), and: 'I am young, I don't know any other system' (1/6). Explanation for denials and evasions might be of methodological nature, such as 'habitual acting of managers' (Alvesson 2003), and ' political storytelling' of Boje (1991) or 'glossing' of Weick (1981 in Boje 1991). Moreover, interviewee denials and evasions are a reality in CEE research, as fieldwork in organisations is both political and sensitive (cf. Balaton 2004 in Clark and Michailova 2004; Nojonen 2004 in ibid.). Methodological concerns are discussed in Chapter 4 (sub-section 4.5.1).

To sum up, local managers negotiate external environmental instability of transitional society, and internal organisational instability of dynamism of change, in which they practise managerial learning theories. The neo-liberal concepts learned contradict reality they experience, affecting retreat to cultural memory, or perhaps to historical-experience-based national and/or regional identity traits, thus reinforcing traditional values.

The data analysed in this section aimed to explain how national and regional traits embedded in historical experience impede or support new, neo-liberal concepts. The first sub-section shows that national identity traits do not fit with ideology of HRM practices, and are used by local managers as a resource. The second sub-section elaborates regional identity traits misattributed to socialism and re-labelled as neo-liberal, which leads to misapplied practices. The last sub-section on external pressures of transition discusses how neo-liberal concepts experienced in reality reinforce traditional values.

Next, the study's key findings of Table 2 to Table 9 are summarised in Table 10 that compares evidence on variables/categories in FDI and non-FDI companies. The relationships between three key variables are elaborated in a context of the research question put forward in Chapter 1 (section 1.5).

5.5 Summary of key findings

The first part of the research question considers relationships between: a) transfer of HRM practices by local managers with their b) values as developed by c) managerial learning, as postulated in the research question in Chapter 1.

Table 10 summarises findings with strong evidence, that is, key findings, that concern 3 variables captured in 3 constructs of the theoretical framework (see Figure 1 in Chapter 1 and Figure 3 in Chapter 6). The fourth construct of variation in reactions is elaborated in next Chapter 6. In Table 10 – summary of tables 2 to 9, Table 2 and 3 relate to Construct A, Table 4, 5 and 6 - to Construct C, and Table 7, 8, and 9 to Construct B.

In this study, findings on perceptions of transfer of HRM practices are of: implementation of standard practices in FDI companies, and customisation in a non-FDI (Table 2). Similarly, content of HRM practices (Table 3) is critiqued or perceived as hard/distorted in FDIs, and pragmatic, that is, of a tool, in a non-FI company. There is support for contingency in use of practices (Hurt and Hurt 2005; Kahancova and van der Meer 2006), and of ownership-dependent transfer (Danis and Parkhe 2002) in FDI companies, with negotiated practices (Geppert and Williams 2006), or hybrid systems (Markoczy 1993) in non-FDI Omicron.

Table 10: Summary of key findings

Construct reference	Table reference	Key variables/ variables	FDI	Non-FDI
A	Table 2 Transfer of HRM practices	Standardised Customised	x	 x
A	Table 3 Content of HRM practices	Pragmatic Critiqued Hard/distorted	 x x	x
C	Table 4 Training in case companies	Intensive Pragmatic	x	 x
C	Table 5 Local managers: manager-owner relationship	Cognitive change Behavioural change	x	 x
C	Table 6 Local managers: managerial role focus	Cognitive change Behavioural change-higher level Behavioural change – lower level	x x x	 x x
B	Table 7 National identity traits	Nationalism Work-to-live Self-actualisation	x x x	x x x
B	Table 8 Regional identity traits	Collectivism Egalitarianism – surface Egalitarianism-historic Passivity/adaptability		 x
B	Table 9 Post-1989 experience of transition	Post-1989 experience Pre-1989 experience	x	x

Legend: Tables 2 to 9 - summary of:
s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)

There is no support for integration (Bartlett and Ghoshal 1995) in FDI case companies. The explanation is that CEE literature covers early-phase transition with its political and economic volatility. This study concerns later-phase transition and early-phase of Poland's integration into the structures of the EU.

These context-affecting processes would explain contingency approach and warrant further longitudinal research. Discussion on transfer continues in Chapter 6 (section 6.2).

The surprise finding of cognitive change of objectification (Bukharin 2006) of subordinates, and of self in FDI companies is the result of analysis in Tables 4, 5 and 6 regarding managerial learning (Construct C) with outcomes of cognitive and behavioural change (Child and Markoczy 1993). This type of change is of unintended consequences and unlike change stipulated by the authors. In the non-FDI company, there is no evidence of cognitive change - in line with Child and Markoczy (1993) findings. In line with the literature, Table 4 shows that local managers perceive training to be intensive in FDI companies (Ferner and Quintanilla 2001), and pragmatic in a non-FDI. Cognitive change as concerning belief, and behavioural change – of tendency to act, are shown in the manager-owner relationship (Table 5) and in the managerial role focus (Table 6).

Behavioural change as commercial awareness of Child and Markoczy (1993) is evident in FDI and non- FDI companies alike. However, behavioural change as self-interest, that I consider unintended consequences of change, is found in a non-FDI company. More importantly, Table 6 - managerial role focus, that is of relationship with subordinates shows behavioural change on two different levels in both FDI and-non-FDI companies. The significance of evidence of stakeholder approach - social democracy and socialist paternalism in equal measures in all companies is that a mix of approaches suggests partial, limited or selective transfer. Thus, findings in Table 4, 5 and 6 show the limited effect of managerial learning on transfer.

Local managers' values are presented in Tables 7,8 and 9, corresponding to Construct B in Figure 1 and Figure 3 in Chapters 1 and 6 respectively. National

identity traits (Table 7) are represented in FDI and non-FDI companies on three levels of values: societal: nationalism, personal: 'work-to- live,' and work: self-actualisation. The significance of this finding is that these represent traditional, non-Western (Huntington 2002) values, thus impeding effects of managerial learning. Regional identity traits (Table 8) show evidence of historical egalitarianism in non-FDI Omicron. This finding is significant in relation to ex-FDI managers currently employed by a non-FDI. It disapproves modernising transfer of integration (cf. Bartlett and Ghoshal 1995). More importantly, it supports negotiated transfer of Geppert and Williams (2006), or contingency in use of practices (Kahancova and van der Meer 2006), or hybrid practices (Markoczy 1993), as local managers use a mix of management approaches. In addition, it provides negative evidence of top-down practice diffusion (Edwards et al. 1998), that is, of transfer to subordinates, regional offices and branches. Although interviews for this study collected data on reported employee reactions (see Appendix F), these are not included in the analysis. Further research with non-managerial participants is recommended to contribute to literature on transfer as diffusion, although there might be limitation of access. Thus, the findings in Tables 7 and 8 show that the effect of values is the opposite from the effect of managerial learning.

Post-1989 experience of transition in FDI and non-FDI companies (Table 9) shows return to traditional values in line with some researchers in CEE literature (Struzycki 2001). Explanation of disillusionment with transition is found in the data in this chapter and the literature (Kolankiewicz 1996; Meardi 2006). In the light of change theories, return to former values represents reversals and/or inertia (Greenwood and Hinings 1988). In the light of the theory of de-institutionalisation (Oliver 1992), ambiguity about socialism and its legacy represents entropy and inertia. A process of institutionalisation (Frenkel 2005) of new values might be impeded by cultural memory of the previous system. This

finding contradicts CEE literature's findings. An explanation might be that the legacy of socialism is not specifically focused on in this study, and warrants further attention of researchers. Another explanation might be of methodological bias of access, as elaborated in Chapter 4 (section 4.4).

In the next Chapter 6, I analyse the data on the fourth construct/concept–local managers' reactions – a contribution of this study. It is followed by discussion on the themes of transfer of HRM practices, local managers' values and managerial learning.

Conclusions

In this chapter, I provided empirical evidence relevant to the research question. I analysed data on HRM practices, on managerial learning, and on local managers' traditional and neo-liberal values. With reference to the chapter title, I attempted to answer it by concluding that managers have the ability, but willingness to transfer remains ambiguous. The data analysis of three variables/categories showed that managerial learning supports local managers' transfer of practices to a limited extent. In practice, managers combine concepts from different approaches in order to obtain employee acceptance and to manage workplace relationships. Local managers' subjective evaluation of concepts learned during training, and of concepts experienced in reality leads to variation in reactions. This conclusion was arrived at by following the chain of evidence.

Practice implementation produces resistance/passivity or customised practices. Practices become distorted or partly transferred. Content of practices is critiqued. Training in FDI companies is found to be intensive. Behavioural and cognitive change - outcomes of managerial learning produce unintended consequences of self-interest and objectification. Experience of transition and historical experience

explain return to traditional values. Egalitarianism and collectivism are regional traits misattributed to socialism. Socialism is de-institutionalised.

Next, in Chapter 6, I include a summary of data analysis from this Chapter 5. It is followed by a contribution of this study – a typology of local managers' variation in reactions to HRM practices. The remaining three sections are: discussion of findings with analysis of cross-case themes in a context of the literature in Chapters 2 and 3.

Notes to Chapter 5

n1 Beta Group annual report 2005. Cost to income ratio of over 70% is regarded as high in the banking sector. In the annual report, strategy of expansion to Ukraine and increase in number of small branches explained increased costs.

n2 Beta Group press release 3/8/2007 on company website announced increase in number of small automated branches.

n3 Alpha Group annual report 2003 does not contain information on staff policies.

n4 Alpha Group Code of Business ethics for all employees was published on company website in March 2007, but did not exist at the time of 2005 fieldwork.

n5 Omicron annual report 2005

6: All able, but rather willing to negotiate transfer

Local managers' support for HRM practices varies producing different outcomes for transfer of practices. The aim of this chapter is twofold. First, it is to present a holistic picture of types of support for practices in a typology of reactions, and to elaborate these types in order to show differences in transfer outcomes. The typology is important as providing evidence of limited support for transfer of practices, and of effectiveness of negotiated transfer approach. The chapter title signals that rather pragmatic, customised and negotiated practices are supported by local managers. This conclusion gives answers to the research question that I address in Chapter 7. The second aim of Chapter 6 is to discuss the study's findings on three major themes as contribution to CEE literature in the context of the theoretical framework in Chapter 1 (section 1.6) and sub-section 6.1.2 of this chapter.

The present chapter consists of five sections: first, a typology of reactions – a contribution of this study, second, third and fourth – a discussion on three main themes, last - propositions. The first four sections correspond to four constructs in the theoretical framework in Chapter 1. In the first section, Figure 3 – a modified Figure 1 in Chapter 1 with focus on the fourth construct. The data analysis of Chapter 5 is summarised in Table 11 to demonstrate how variation in reactions affects transfer outcomes. In the second sub-section, I propose Matrix 1 – a two-dimensional four-cell representation of variation in reactions. The second section commences a discussion on three themes developed in this study to show how this study's findings contribute to CEE literature. Transfer as tension concept is reviewed in the light of Kostova and Roth's (2002) theory. The third section assesses a concept of local managers' values as co-existence of traditional and neo-liberal values in the light of de-institutionalisation theory of Oliver (1992). The fourth section concerns managerial learning (Child and Markoczy 1993) as

producing behavioural and cognitive change, with unintended consequences. In the last section, I propose relationships between four types of managers and transfer outcomes linked to managerial learning and values.

Next, data analysis of Chapter 5 is summarised in Table 11 to show how the typology was developed. Then, I provide Matrix 1 – a typology of four cells and two dimensions.

6.1   Variation in reactions and variation in transfer outcomes

The variation in reactions typology has emerged from analysis of case companies' data in Chapter 5. It was developed from the analysis of local managers' self-reported behaviours, and expressed beliefs and values. The variables/categories in Chapter 5 correspond to three constructs of the theoretical framework in Chapter 1: - transfer and content of HRM practices; managerial learning - training with behavioural and cognitive change; and values of local managers, with national traits, regional traits, external pressures of current, and of former political systems. I outline findings from three categories to show how a typology of variation in reactions was developed. The fourth construct in the theoretical framework – a typology of reactions is a contribution of this study elaborated in the next sub-section. Figure 3 below is modified Figure 1 in Chapter 1 (1.6), and it implies that reactions affect transfer outcomes.

Figure 3: Variation in reactions affects transfer outcomes
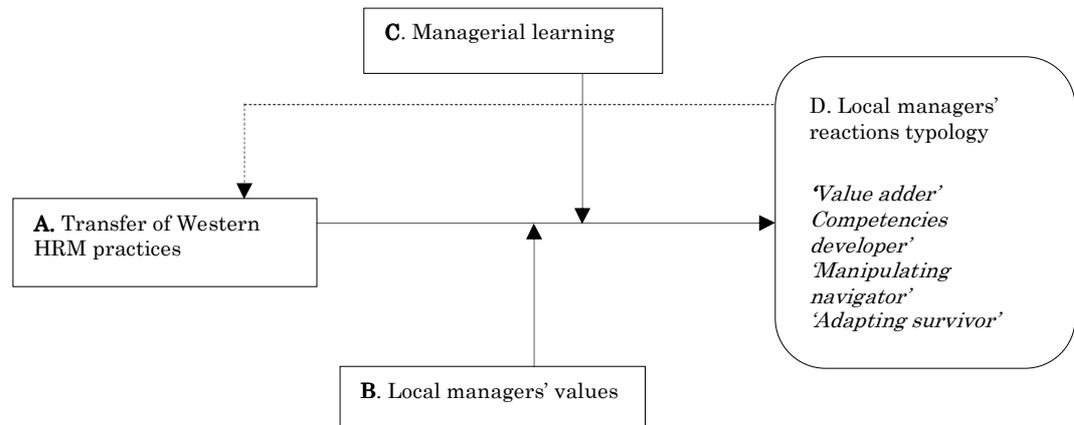
Figure 3 above is a modified Figure1 in Chapter 1 (1.6) with four constructs. Constructs A, B, and C correspond to three analytical categories of Chapter 5. The fourth Construct – D, a contribution of this study – 'Local managers' reactions typology' is focused on in Figure 3 in a context of three other constructs of the model. Figure 1 in Chapter 1 details constructs, sub-constructs, elements, and descriptions.

6.1.1   How variation in reactions was developed

In the first variable/category - of transfer of HRM practices (A in Figure 3), there are sub-categories of implementation and of content of practices. In sub-category of implementation, local managers respond to practice transfer by non-adoption, or adoption. The former is linked with standardised practices and implies responses of surface compliance, segmentation and imitation. The latter is linked with customised practices and pragmatic use of practices. In the second sub-category of content of practices, I analyse managers' perceptions and use of practices. Here, local managers demonstrate surface compliance with hard and distorted practices, hence ambiguity of transfer. Alternatively, local managers negotiate, customise and then use practices, hence partial transfer. Thus, transfer outcomes for customised practices are better than for standardised practices.

In the second variable/category - of managerial learning (C in Figure 3), there are sub-categories of behavioural change and of cognitive change. In behavioural change, local managers put neo-liberal theories to practice and look after own interests by either serving needs of employer, or entering transaction-type relationship with employer. In the former case, change involves pursuit of a career with duality of values and distancing from needs of subordinates, demonstrating passivity and objectification of self and others. In the latter, change involves pursuit of self-interest in a form of money or self-actualisation and distancing from employer. In cognitive change, local managers understand their role as of following instructions, or of navigating between stakeholders. In the former, managers follow instructions and encounter conflict with practice non-adoption. In the latter, managers balance needs and interests of subordinates and stakeholders, and manage without conflict. Thus, evaluation of practices affects managers' support, with transfer of acceptable elements of practices.

In the third variable/category - of local managers' values (B in Figure 3), national and regional values, with external pressures of current transition, and a cultural memory of the former system, produce further variation in reactions. Confronted with neo-liberal values, and having pre-existing national and identity traits, local managers adapt to the external and the internal pressures by adopting different behaviours: - rejecting new values, or mixing elements of old and new systems, or denying the significance of the previous, de-institutionalised system. Local managers' focus on: a career, or professional identity, or on negotiating a compromise, or on adapting at their own pace. A career focus produces passive behaviours that maintain dual-value systems. A professional excellence focus produces an appearance of 'interest' in some practices and utilisation of elements of other practices. In contrast, adaptive behaviours of negotiating old and new concepts lead to customised systems, and creating own solutions lead to developing hybrid systems. Thus, considered in the light of support for HRM

practices, career-type managers will maintain dual value-systems, professional-type managers will use elements of practices, negotiating-type will develop customised systems, and adapting-type managers will develop hybrid systems. Thus, the first type implies ineffective or ambiguous transfer, or lack of transfer. The three remaining types imply partial, yet effective transfer. This analysis is illustrated in Table 11.

Table 11: Local managers' use of HRM, and transfer outcomes

Manager type	Behaviour type	Use of HRM	Transfer outcome
Career focus	passive	attempt to transfer standardised practices	ambivalent transfer, 'ceremonial adoption,' non-adoption, dual-value systems
Professional excellence	active, 'interest' in practices	pragmatic use of elements of HRM	selective transfer, employee acceptance
Negotiating	active	customised HRM practices	partial transfer, employee acceptance
Adapting	active	create hybrid HRM practices	partial transfer, employee acceptance

To sum up, the analysis of three variables/categories shows how variation in behaviours, beliefs and values of local managers has developed with effect on support, or not, for HRM practices, and transfer of practices.

The next sub-section elaborates the last stage of the analysis – the variation in reactions and is the four-cell typology I developed.

6.1.2   A typology of local managers' reactions

Matrix 1 below depicts a typology of local managers' reactions, organised along two dimensions – of behavioural change, represented by a horizontal arrow, and of cognitive change, represented by a vertical arrow, pointing away from weaker evidence towards stronger evidence. I use broad definitions for behavioural change and cognitive change. For the former – in a sense of 'the individual's tendency to

act' (Hayes 1993:92), and for the latter, in a sense of being: 'concerned with the beliefs and ideas' (ibid.93). Four types are core selective categories that emerged from grounded theory analysis (Strauss and Corbin 1998), with each determining different outcomes in relation to transferring, or not, HRM practices. Four types have labels that are metaphors taken from interviewees' language, and summarise five attributes in each type. Each type is a collection of characteristic attributes. The attributes are specific to a type, but not exclusive, and are metaphors taken from interviewees language. The attributes for all types represent behaviours, beliefs and values expressed and reported by managers on topics of: - relations with employer, managerial role, relations with others, viewpoint of HRM practices, core personal and work values with attributes being characteristic of, or typical of each type. The four types: 'Value adders', 'Manipulating navigators', 'Adapting survivors', and 'Competencies developers' are described in turn.

Matrix 1: A typology of local managers' reactions

	'Competencies developers' Sell labour Look to contribute See the sense of purpose Fight categories Love dynamism, freedom	'Value adders' Make owners happy Are open to clients' needs Are hired labour Don't expect autonomy Boast about workplace
cognitive change (high → low)	'Adapting survivors' Choose employer Help to achieve, influence, decide Form collectives and ignore others Create own solutions Work without reward	'Manipulating navigators' Reach compromise Influence decisions Educate clients, teach managers Fight for own opinions Observe and change

low — behavioural change — high

'Value adders' – high behavioural, high cognitive change

The 'Value adder' type involves an attempt to add value to the company. The label summarises his/her understanding of qualities that benefit the employer. First, this type's focus is making owners happy, which also implies by omission not acting in others' interests.

Second, being open to clients' needs implies that the 'Value adder' type will flexibly respond to external environment of commercial pressures. Third, while focusing on narrow interests of shareholders, they objectify themselves and others to systems and processes that achieve them. Fourth, this type does not expect autonomy of making decisions in his/her area of responsibility. The implication for practice transfer is that implementation of HRM practices is uncritically followed and not negotiated. The fifth attribute is his/her status in company as a core personal value, which serves to impress his/her external social environment. The following quotation illustrates the type:

I am young… I don't know any other system. Some employees had a problem with it. For example, someone without a [salary] rise for 3 years. I had to explain and give them childish examples to open their eyes - 'This is the way the market works'. We pay for the work exactly how much it is worth, it adds value, the employee receives transparent communication… we know how to hit our goal-posts… not meeting one of the competencies can disqualify, and the employee is eliminated, not supporting the company's vision… (1/6).

Mostly present in FDI companies, the 'Value adder' is young and without experience of career setbacks. He/she has a perception of being special and part of an elite. His/her contribution to the company is rather of following instructions, with lack of control and influence over the environment. The stance taken by 'Value adder' is of passivity with duality in work and personal values. His/her attempt to transfer standard practices appears to be unsuccessful, and he/she

attributes it to national identity traits of employees. The high staff turnover in his/her department he/she attributes to lack of employee loyalty. Of significance is the distancing from employee concerns and inability to retain staff. Thus, the transfer of standardised practices is attempted, but not achieved.

'Manipulating navigator' – high behavioural change, low cognitive change

The 'Manipulating navigator' type involves an attempt to navigate between various stakeholders, and to manipulate people and situations for target outcomes. First, reaching compromise with employer implies asserting and negotiating his/her position in the company. Second, influencing decisions means ability to influence, and high need for power. Third, educating clients and employees, means that interests of all parties are balanced. Fourth, fighting for own opinions suggests that risks are taken in the interest of many. The fifth attribute in relation to beliefs and values signifies openness to new ideas with evaluation of concepts and values, experimenting, adapting and changing. Of significance is involvement in concerns of many stakeholders and acceptance of negotiated change. The following quotation illustrates the type:

I love people and I love working with them, they listen to me…I have authority…they can come to me always. Example - someone's profile was not suited to the department, she came to me to find her work in my department…I helped her without an ulterior motive, she's pleased. Example – someone comes to see me, says 'I don't earn enough'. I look for the reason behind it… perhaps sales targets are too high… (1/10).

Mostly present in FDI companies, the 'Manipulating navigator' is mature, and with impressive professional and career achievement. His/her contribution to the company is of applying systems flexibly. Negotiating customised solutions, while seeking consensus on all levels implies that stakeholder interests are balanced and practice transfer, perhaps partial, achieved. Of significance is the ability and

willingness of the 'Manipulating navigator' to help others, achieved through network of contacts inside and outside the company. In relation to transferring customised practices, the type negotiates practice content with foreign colleagues for employee acceptance. Thus, transfer of customised or hybrid practice is achieved.

'Adapting survivors' – low behavioural, low cognitive change

The 'Adapting survivor' type involves an attempt to adapt after surviving hardships of transition. The label implies heroism of survival and own pace and degree of adaptation. The type is significant as disconfirming assumption of integrative transfer in literature, by which former managers of FDI companies move to non-FDI companies and modernise. First attribute is of choosing the employer - selecting workplace with culture and values fit. Second, managerial role is seen as combing a mix of concepts of helping subordinates, influencing policies, and making decisions. Third, forming collectives and ignoring others is an activity that involves other like-minded colleagues, but excludes people with new behaviours or values. The fourth attribute concerns local managers' views of HRM practices. Here, creating own solutions means managers' actions that involve mixing management concepts to create hybrid practices. Fifth, working without reward implies acting for higher or common good with altruistic rather than materialistic motives: 'Poles can work without reward' (3/4). The following quotation illustrates this type:

Organisational culture is a personal feeling, our department is trying to integrate and we are a harmonious team, we feel a whole, work well together. Others…we come across others, we ignore them. Our team – everyone is responsible for a separate task, I don't remember for a conflict situation to last for a long time, we try to create atmosphere, help each other, for us to function like a family. The superior's role is to help, demand, give

autonomy. We learned during training sessions… we blindly copy American models… it can't be done. One should be able to evaluate, not necessarily must be good (3/6).

Mostly present in non-FDI companies, 'Adapting survivors' are mostly former FDI-managers that experienced early-phase transition in FDI companies. Having used HRM in the past and assessed concepts and practices during training, the type rejects practices perceived as distorted or of questionable value. Of significance is evidence of historical egalitarianism, collectivism and romantic nationalism. High need for autonomy as 'freedom from', and ability to lead parallel lives are distinctive national identity traits. In relation to transferring customised practices, 'Adapting survivors' use practices selectively creating own solutions. Thus, transfer of hybrid practices is achieved.

'Competencies developer ' – high cognitive, low behavioural change

The 'Competencies developer' type involves an attempt to develop professional skills and abilities for personal advantage in pursuit of professional achievement. The label reflects the type's focus of seeing company as a learning environment. First, the attribute of selling labour implies behavioural change of a transactional employer-employee relationship. Here, selling labour means getting the right price for his/her talent and abilities. Second, looking to contribute implies that managerial role is seen as commercial or financial contribution, and not of managing people. Third, 'Competencies developer' has a wider sense of purpose and will not accept fragmented or automated tasks that would lead to his/her de-skilling. Fourth, the type rejects and fights practices that he/she perceives as controlling, affecting his self-interest, or restricting autonomy. Fifth, loving dynamism and freedom as core value means that and he/she identifies with his/her profession and not employer, and feels free to move in pursuit of self-actualisation. The following quotation illustrates the type:

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For me development is most important…I am focused on achieving business goals… profit 20 millions before, now 140 millions, 1000 percent dynamism, this is the thing that drives me… I can be bigger in the market, can have bigger responsibilities, it's an incredible experience, my value in the marketplace has increased, I feel if I lost my job…my feeling of independence…(2/2)

Present in FDI and non-FDI companies, 'Competencies developer' of any age, is confident and aware of his/her professional talent and abilities. His/her contribution to the company is of creativity and innovation, or of revenue generating. Of significance is self-actualisation and expressions of 'freedom from' concept. His/her support for HRM practices is ambiguous, as he/she believes in 'laissez faire' management, and giving subordinates autonomy. He/she uses customised practices, or elements of HRM, with a control element of HRM rather rejected. In relation to transferring customised practices, 'Competencies developer' is likely to transfer elements he/she considers of value. Thus, limited transfer of elements of practices is achieved.

To sum up, the typology of reactions of local managers to HRM practices described here provides evidence of limited support for transfer of practices, with implications for transfer outcomes, as shown in Table 11. All types, except for 'Value adder' tend to affect customisation of practices, or to create hybrid practices. Variation in reactions of managers in the typology creates different transfer outcomes, as elaborated in section 6.5.

The next section commences a discussion on three themes corresponding to three categories in Chapter 5, and three constructs: A, B, and C in Figure 3, sub-section 6.1.2 and three constructs in Figure 1, Chapter 1. Three ideas that contribute to answering the research question have been inferred from this study: - transfer as tension, co-existence of traditional and neo-liberal values, and managerial

learning as producing unintended consequences. These are explored in the next three sections that elaborate this study's contribution to CEE literature.

6.2   Implementation of HRM practices

Contradictions of cross-cultural transfer in management literature in multinational companies focus on conflict of uniform practices and different national contexts. In this study, the findings on transfer HRM practices address two approaches in the literature – integration, or contingency and negotiated approach of process and content of transfer. The latter reflects a concept of transfer as tension between implementation and adoption (Kostova and Roth 2002) used in this study. Contingency or negotiated approach emerges as the result of tension, as shown by the data in Chapter 5.

Integration approach appears to be standard initial approach of multinationals (Bartlett and Ghoshal 1995), with later contingency approach following the labour market (Hurt and Hurt 2005; Martin and Critescu-Martin 2002). Findings from FDI companies in this study rather reflect a reverse order of an initial 'laissez faire' or contingency approach followed by closer integration of 'incremental takeover' of foreign investor (Krumova 2005). This finding seems to be consistent with strategy of JV companies' ownership structure (Danis and Parkhe 2002). FDI case study companies - Alpha and Beta Group alike experienced strategic increase of share ownership, together with increased control over work processes (Hetrick 2002), and work intensification (Martin 2002; McCann and Schwartz 2006). The Beta Group managers' accounts reflected lack of local control and increased pressures of HRM practices (Chapter 5, section 5.2). The initial attempt of 20% equity partner to implement competencies framework met with manager and employee resistance. At Alpha Group, initial 'laissez faire' approach became integration during merger with another domestic firm. Substantial reduction in

staffing of 30% accompanied introduction of intense HRM practices. In CEE literature, integration is used in conditions of high unemployment. Described in literature as 'heavy-handed theory X' (Hurt and Hurt 2005), or a 'crusade' by Kostera (1996) and used with 'missionary zeal' (Bedward et al. 2003), integration approach is also characterised by a 'low tolerance for national diversity' (Villinger 1996). Thus, perceptions of standard practices being imposed without consultation or cultural adjustments accompanied negative reactions of managers and employees in case companies of this study (Chapter 5, sub-section 5.2.2).

The initial negative reactions of managers and employees to Western practices' modernising approach were the effects of negating prior knowledge, belief in superiority of Western systems, and dependency on foreign capital. Researchers reported early-phase attitudes as ranging from passive (Kiriazov et al. 2000; Pollert and Hradecka 1994) to indifference and resistance of local managers (Hurt and Hurt 2005; Michailova 2000: 105; Pearce 1991: 81), which were attributed to external pressures of transition (Cyr and Schneider 1996; Pollert and Hradecka 1994). In this study, FDI companies' managers alluded to experiences of past and current instability (Chapter 5, sub-section 5.4.4). However, there is more support for findings from later-phase transition literature which links negative manager and employee attitudes to 'efficiency seeking' policies of FDI companies (Marginson and Meardi 2006; Martin 2006; Ost 2003 in Kozek 2003; Ostrowski 2003 in ibid.). These policies contribute to creation of distorted HRM practices in organisations (Fryzel 1999 in Wawak 1999; Gietka 2006; Ost 2003 in Kozek 2003), and affect responses of high employee turnover (Meardi 2006).

Reactions to FDI policies in Beta Group were evident at the time of competency implementation – high turnover, employment court cases and resistance (Chapter 5, sub-section 5.1.2). Managers talked about their and employee reactions, in line with Napier's (1989) findings of negative reactions in merged companies in the

first year of merger. In contrast, at later-phase HRM implementation at Alpha Group, reactions were of homogenous passivity and ingratiating attitudes – an outcome of, I argue, embedded hard HRM practices. According to Napier (1989), employee performance and reactions could improve in three to five years after the merger. In Alpha Group, financial performance of company is the highest in the sample, which cannot be attributed solely to HRM practices, but rather to job cuts of 30% at the time of merger (2/10). Thus, the findings of this study are consistent with findings on reactions in M & A literature and organisational change literature.

Customised HRM practices appear to be outcomes of tension between implementation and adoption (Kostova and Roth 2002. Standard HRM practices modified as the result of managers and employees' reactions are reported in many CEE studies (cf. Hetrick 2002, Markoczy 1993; Suutari 1998). There, foreign and expatriate managers chose to adopt authoritarian management style instead of transferring practices, because of financial pressures (Chapter 2). In Hungary, Markoczy (1993) and in Russia, Suutari (1998) note that local managers display passive behaviours. In contrast, there is no support for customised or hybrid HRM practices in FDI companies in this study. Explanation might be that the conditions of high unemployment at the time of fieldwork interviews did not warrant adjustments, thus indicating preference for contingency in use of HRM. However, a surprise finding was a hybrid HRM practices system in a non-FDI Omicron (Chapter 5, sub-section 5.1.2). An example is performance appraisal originally implemented to modernise a former state company to compete with FDI companies – a target outcome of -level transition (Balcerowicz 1992). Omicron managers give an account of unsuccessful implementations followed by many adjustments. The reason I interpret Omicron HRM system as hybrid is because: a) it evolved over a time, b) it involved managers' and employee resistance, and c) its use is voluntary. In addition, ex-FDI managers introduced and attempted to

implement practices, providing evidence of diffusion of knowledge (Edwards 1998).

Thus, practice customisation was affected by manager and employee reactions in

line with findings of Hetrick (2002) and Geppert and Williams (2006).

Tension between implementation and adoption is captured by the Kostova and

Roth's (2002) theory of practice adoption that I use for this variable. In the HQ -

subsidiary relationship, according to Kostova and Roth (2002), the aim of practice

adoption is internalisation (ibid.) or institutionalisation (Frenkel 2005) of practice.

Both terms imply that new practices are used willingly and as a matter of course.

Adoption depends on legitimacy-ethical-grounds-acceptance by employees, and

trust in parent company. In FDI companies in this study, there is 'ceremonial

adoption' of Meyer and Rowan (1977 in Lang and Steger 2002), and non-adoption

(Chapter 5, sub-section 5.2.1). Examples of the former is passivity with

statements: 'all have to adapt' (2/9), and of the latter - 'they try to impose' (1/5),

that I interpret as resistance. In FDI companies, managers make cynical

statements about parent company and describe themselves in terms of

objectification (Bukharin 2006): 'we are hired labour' (2/7), and term practices as

'dehumanising' (2/2), suggesting lack of trust and negative feelings towards parent

company. Acceptance of 'practices' values', according to Kostova and Roth (2002),

which I interpret on grounds of the data as positive ethical evaluation, is required

for institutionalisation of practice. Thus, evaluated as unacceptable for cultural or

ethical reasons, practice is subject to 'ceremonial adoption' (Meyer and Rowan

1977), or non-adoption, confirming the transfer as tension concept.

6.2.1   Content of practices

In transfer process, content of practice might create tension between values

embodied by practices and company values (Kostova and Roth 2002). CEE

literature reflects managers and employees' perceptions of aim and content of

HRM practices as of control (Hetrick 2002), and monitoring (Hardy et al. 2005), with work intensification (Martin 2006), and leading to downsizing (Filatotchev et al. 1999). Some practices appear to be ineffective for cultural reasons, like undermining a tradition of workplace autonomy in Hungary (Whitley and Czaban 1998), or because practices appear irrelevant (Suutari 1998), or misused (Taylor and Walley 2002 in Zupan and Kase 2005). More importantly, some practices are perceived as dehumanising (Fryzel 1999 in Wawak 1999), hard and distorted (Gietka 2006), and exploitative (Stelmach 2005). Trends for avoiding 'socialist mindset' of pre-1989 managers (Soulsby 2001) established preference for younger workers (Hardy et al. 2005; Pavlica and Thorpe 1998; Todeva 1999). Employees respond to HRM practices by focusing on monetary benefits – the attitude that turns professionals into 'mercenaries' (Fryzel 1999 in Wawak 1999).

Control, work intensification and monitoring ideas are strongly supported in this study (Chapter 5, sub-section 5.2.1). Of significance is the finding of intense application of practices in FDI case companies. Some examples follow. In Alpha Group, performance appraisal lasts 3 to 4 hours - an example of intense monitoring. In Beta Group, competency framework narrows down the managers' responsibilities. Scientific management techniques are used to time and measure fragmented tasks in banking operations, hence intensification of work. In relation to work attitudes, most managers' accounts demonstrate self-interest: 'I work for the time they pay me for' (2/3). In the typology of reactions in sub-section 6.1.2, the managers of the 'Competencies developer' type have transactional relationship with their employer. Thus, misused or hard HRM practices contribute to negative perceptions of FDI employer, and to development of negative trends in HRM, as shown in Chapter 5 (section 5.3).

Ineffectiveness of practices for cultural reasons (Whitley and Czaban 1998) has lesser implication for transfer than hard HRM practices. The data from this study

shows strong evidence of Western practices perceived as of questionable value, or as not cost-effective (Chapter 5, sub-section 5.2.2). Example of ambiguous and problematic practice with contradictory values of individualism and collectivism is teamwork in FDI companies. In Beta Group, teamwork creates conflict, in Alpha Group with more intense HRM – mobbing (Chapter 5, sub-section 5.4.2). Contents of many practices embody values incompatible with societal and personal values of local managers. In practice, managers combine concepts from different ideologies, hence partial transfer. These concepts are linked with local managers' values, as shown in section 6.3.

To sum up, negotiated approach (Geppert and Williams 2006) in JV companies of later-phase CEE literature is not supported by this study's data. A possible explanation is contingent use of practices, that is, the conditions of high unemployment coinciding with a timeframe of this research. A surprise finding is a hybrid MBO (Management by Objectives) system in a non-FDI company (Chapter 5, sub-section 5.2.1).

The next section examines external pressures and moderating factors (Oliver 1992) - post-1989 transition, pre-1989 system, and national and regional identity traits formed by historical experience. It corresponds to the second construct (B) of the theoretical framework – Figure 3, sub-section 6.1.2, and Figure 1 in Chapter 1. Deinstitutionalising pressures are significant for deeper understanding of societal, personal and work values. In this study, neo-liberal and traditional values co-exist with deinstitutionalised socialist values.

6.3   Local managers' values

Co-existence of traditional and neo-liberal values is a key finding for local managers' values variable, indicating lack of support for modernising approach to

transfer. Explanation appears to be experience of transition that affected return to traditional values, with non-Western (Huntington 2002) identity traits (see Chapter 3, section 3.1).

Classical approach expressed belief that values change in socio-economic conditions (Scott 1987 in Markoczy 1993). Some researchers of CEE transition regarded environmental uncertainty as not conductive to change in values (Clark et al. 2001), or to managerial learning (Villinger 1996). On a wider level, human cost of transition (Stiglitz 2002), with economic dependency on FDI companies (Hunya 2000), led to negative outcomes for societies (Cholaj 2004). Societal changes were of economic hardship and unemployment (Basu 2005), in which transition participants reverted to 'survival mentality' (Kolankiewicz 1996), and passive behaviours in organizations (Danis and Parkhe 2002; Fey and Denison 2003; Jakubow 2000; Stelmach 2005). This study's findings confirmed participants' experience of transition as disillusionment, with professional instability and personal challenges (Chapter 5, sub-section 5.4.3). Examples provided by the case companies' managers allude to frequent job changes, change of occupation, and having to obtain new qualifications. Interviewees were voicing negative perceptions of foreign capital in national economy, and uncertainties of current political pressures: 'we don't know how capitalism, the power of money… (3/10). On a level, earlier passive behaviours of managers reported in the literature are partly confirmed in this study's findings. In the typology of reactions I developed (Matrix 1, sub-section 6.1.2), one type of four – 'Value adder' - indicates passivity, with three other types actively engaging in learning and partial transfer. Thus, the data shows that managers developed behaviours and values enabling them to manage internal and external environment of transition (Chapter 5, section 5.4).

Socialism is de-institutionalised, according to this study's findings (Chapter 5, sub-section 5.4.3). Examples are phrases used by local managers, suggesting that socialism becomes un-named: 'system of the previous era' (1/1), or denied as meaningful; 'I am not sentimental about old days' (3/6). Socialism becomes a cultural memory, and a part of historical experience, used as reference point: 'it was like that in Poland years ago' (3/3). With the previous political-economic system discredited, the question remains as to the reason for perceived ineffectiveness of training for local managers in FDI companies in later-phase transition. The answer must be that contradictions exist in work values and societal/personal values, and that some neo-liberal concepts are incompatible with societal values, and assessed in the light of these values as unacceptable (Chapter 5, section 5.4). In a wider context, values-forming historical experience of the region and of Poland, elaborated in Chapter 3 has the effect of moderating factor opposing external pressures (Oliver 1992) for institutionalisation of the new system.

CEE literature's findings on legacy of socialism are not supported by the findings of this study. Early-phase researchers attributed problems with 'soft' knowledge transfer to legacy of pre-1989 system, with lack of understanding of financial performance objectives in market economy (Child and Markoczy 1995; Filatotchev et al. 1999, 2000; Peng 2000). Centrally led objectives of socialist managers (Kostera 1996) were in conflict with shareholder-led managerial objectives of foreign managers (Filatotchev et al. 1999), with attributed-to- socialism defensive behaviours (Kolankiewicz 1996) of local managers in FDI companies. The explanation for different findings of early and later-phase transition is that previous findings were relevant to former socialist managers, and current findings relate to a new generation of managers educated in the post-1989 system (Chapter 2, sub-section 2.4.4). Thus, managerial learning was needed to affect behavioural

and perhaps cognitive change (Child and Markoczy 1993) in local managers' mindset to facilitate organisational-level transformation.

Historical experience is entropy and inertia in the deinstitutionalisation theory of Oliver (1992) that I use in order to capture context (Chapter 3). Historical-experience-formed regional and national identity traits linked with societal and personal values making them resilient to change. Some researchers allude to earlier-than-socialism political history of Poland (Gomulka and Polonsky 1990; Dobosz and Jankowicz 2002; Todeva 1999), as historical legacy (Davies 2006; Jankowicz 1994; Kostera and Wicha 1996), or cultural legacy of the region affecting values (May and Puffer 2005; Michailova 2000). In CEE literature, I speculate, researchers' concern with immediate legacy of socialism caused historical legacy to remain under-researched.

Transition reinforced national traits according to this study, in line with findings in CEE literature (Kolankiewicz 1996; Stiglitz 1999). Examples are managers' statements of their mentality being different from global mindset in comparison to other nationalities, and special: 'We Poles, we can' (2/6).... There are expressions of liking of the French, and dislike of the Germans, and ambivalent statements about the Americans – of being unlike them, or too much like them. Generosity without expectation of reward is voiced (Chapter 5, sub-section 5.4.1). Preference for simple solutions, and perceptions of rules as 'making problems' (3/3) I interpret as dislike for rules noted in the study of Gajewska-De Mattos et al. (2004). The concept of 'freedom from', voiced as self-actualisation, independence, freedom, or autonomy, is a core work value for three out of four types of managers in the typology in sub-section 6.1.2. References to Catholicism as affecting non-capitalist values of egalitarianism and social justice were made (Chapter 5, Table 7), hence of significance to managers. Distrust-of-the West trait (Chapter 5, sub-section 5.4.2) is evident in managers' accounts of experiences of transition: 'we were there

to make money for the whole of Europe' (2/5). Thus, managers' expressions of national identity show that identity-linked-values are incompatible with values embodied in some HRM practices.

National and regional identity traits are a part of historical experience concept (Figure 1, Chapter 1; Figure 3, sub-section 6.1.1), developed from political history literature (Heffernan 1998; Longworth 1997) to assess the effect of pre-socialist period on values. Both types of identity traits are relevant to empirical evidence and are explanation for societal values. National identity traits of Poland are found to be partly Western (Cholaj 2004), or non-Western (Huntington 2002). These are: - romantic nationalism - generosity without expectation of reward, the 'freedom from' concept, honour, but also negative traits of - superiority, defensive aggression, distrust of the West, and preference for authoritarian structures. There is strong evidence of national traits with references to Poland-as-military power period (Chapter 5, Table 7), developed from the country's 'buffer' role (Cholaj 2004) elaborated in Chapter 3.

Non-Western (Huntington 2002), regional identity traits have been historic egalitarianism and collectivism embedded in institutional and legal frameworks of Central and Eastern Europe (Chapter 3). Passivity and fatalism developed because of instability and political pressures from regional powers and the West (Heffernan 1998; Longworth 1997), with cultural memory of foreign rulers and annexation by foreign powers. Regional values are different from Western materialism, individualism, democracy (Huntington 2002), with economic growth and liberalism (Koch and Smith 2007). The study's findings show weak support for regional identity traits, compared to national identity traits. Explanation might be that regional values are misattributed to socialism. Regional traits' embeddedness in managers' mindset makes these traits un-noticed and un-acknowledged. Examples in CEE literature are workplace egalitarianism (Whitley and Czaban

1998) in Hungary, or social justice and collectivism (Kostera 1996), and democracy as consensus and not pluralism (ibid.) in Poland. Thus, misattributed to socialism regional traits are subjected to deinstitutionalisation, with negative effect on practices, as shown in Chapter 5 (sub-section 5.4.3).

The embeddedness of egalitarianism and collectivism is demonstrated in effective teamwork in a non-FDI company, and problematic teams in FDI companies (Chapter 5, sub-section 5.4.2). Teamwork in Omicron is a consensual and harmonious collective (cf. Camiah and Hollinshead 2003), with decision-making on many levels (Vlatchoutsikos and Lawrence 1990), and workplace egalitarianism of Whitley and Czaban (1998). In FDI companies, teamwork as HRM practice becomes an ambivalent concept with contradictions of individualism and competitiveness on the one hand, and collectivism of tasks, knowledge sharing and egalitarianism on the other. Competitiveness and individualism lead to conflict in teams in Beta Group, or mobbing (bullying in British English) in Alpha Group (Chapter 5, sub-section 5.4.2).

Egalitarianism in CEE organisation is expected by local managers, as demonstrated in case study companies (Chapter 5, sub-section 5.4.2). An example from Beta Group follows. A local manager describes accessibility of a former Polish chairman to all levels of staff, unlike distance and unavailability of a present English chairman. I interpret it as preference for egalitarianism and lack of acceptance for hierarchies in company. Another example of egalitarianism is managers' expectations of being consulted on HRM practices (Chapter 5, sub-section 5.2.1). Surface egalitarianism (Pfeffer 1994) of using first names in case companies was occasionally demonstrated together with historic egalitarianism. In first, unstructured observations showed that peers used first-name terms, but subordinates were addressed in a hybrid form of Mrs and first name, indicating formality and distance. In second, non-FDI managers at Omicron gave accounts of

successful teams, where all members shared work and divided bonus equally before referring it upwards for approval.

As a regional trait, passivity is fatalism, expressed in a workplace as lack of initiative, or conformism, or lack of communication, and has been a surprise for some researchers (cf. Czupial 2000; Danis and Parkhe 2002; Kolankiewicz 1996; Stelmach 2005), with attributions to legacy of socialism and poor work ethics of socialist workplace. Alternative explanation from political history (Heffernan 1998; Longworth 1997) is that passivity is regional trait originating in historic experience of annexed nations of Central and Eastern Europe (Chapter 3). Findings from this study show that passivity has been mostly overcome in local managers (Chapter 5, sub-section 5.4.2), as the result of training and motivational systems. However, it is likely to persist in employees, moderating organisational-level change, thus warranting further research.

Traditional and neo-liberal values presently co-exist, according to this study and in line with the literature (Jakubow 2000 in Olszewska 2000). In Poland, 'work-to-live' is a core societal value, and family – a core personal value (Jasinska-Kania and Maroda 2002), and self-actualisation – a core work value for professionals (ibid. Budzisz 2004 in Tomczonek 2004). Emerging values are linked to material success and appear to be transient (Struzycki 2001), or relevant to the elites (Todeva 1999). Materialism is destroying national identity (Czapinski 1994 in Sikorska 1999; Sikorska 1999 in Beskid 1999). In Russia, individualism, materialism and competitiveness are rejected as values (Camiah and Hollinshead 2003). Co-existence of emerging and pre-existing values of this study (Chapter 5, sub-section 5.3.2), broadly support findings from the literature. Some examples follow. Neo-liberal objectification (Bukharin 2006) is voiced in a Beta Group manager's statement about achieving work goals by any means. Other Beta Group managers complain that individual motivational targets in teams impede

harmony and co-operation, thus finding contradictions in practices. Specifically, they state that a new HRM innovation - competencies framework creates hierarchies with negative effect on co-operation (Chapter 5, sub-section 5.2.2). In managers' language, work values of self- actualization or autonomy are expressions of 'freedom from' concept, and co-operation – of collectivism (Chapter 3, section 3.3). Societal 'work-to-live' as a core value is evidence of the study participants' traditional, non-materialistic values-set. Thus, personal values become significant in motivational systems and application of HRM practices.

In the light of the deinstitutionalisation theory (Oliver 1992), external pressures of later-phase transition are weaker, with lesser effect on values. Pressures of deinstitutionalised socialism are also weaker, or non-existent (Chapter 5, sub-section 5.4.3). New external pressures of ideology of social democracy of the EU might be significant, and warrant further research. Historical-experience-based national identity traits acknowledged by the study participants are entropy and inertia (ibid.). In a similar manner, misattributed to socialism regional identity traits moderate transfer of HRM practices. Identity traits linked with values and embedded in Poland's and CEE region's history are incompatible with, and different from neo-liberal values. Implication for transfer of practices is that values from old and new systems cannot be reconciled, and need to co-exist as parallel value systems (cf. Graf 2004). Thus, evidence from this study supports a negotiated approach (Geppert and Williams 2006), or a shared values system (Camiah and Hollinshead 2003), as incorporating conflicting values, and effective for potential institutionalisation of HRM practices.

To sum up, the study's findings confirmed findings in CEE literature on societal disillusionment with transition, but disconfirmed findings on legacy of socialism. Transition as external pressure (Oliver 1992), was found to reinforce traditional values, an effect opposite to that of managerial learning. Socialism is denied as

meaningful, or used as a reference point. An explanation might be that the study's timeframe is later-phase transition with new generation of local managers. Historical experience-based national and regional identity traits and their embeddedness are significant for future and lower-level transfer of practices.

The next section concerns the third variable: managerial learning. Based on empirical evidence, I argue that effectiveness of training is not programme-content-dependent, but rather local managers' values-dependent. I note that behavioural and cognitive change in local managers produce unintended consequences of self-interest, or passivity and objectification. These individual-level changes might be linked to hard or distorted HRM practices.

6.4   Managerial learning

A key finding of managerial learning in this study is producing unintended consequences of change elaborated in the typology (sub-section 6.1.2). These provide explanation for limitations and/or ambiguity of transfer.

In the managerial learning theory of Child and Markoczy (1993), two kinds of change are relevant to early-phase transition: - behavioural change in a sense of using new practices to benefit company, and cognitive change in a sense of understanding market economy. In this thesis, broader operationalisation of two dimensions shows behavioural change as indicative of new, adaptive behaviours, and cognitive change – of belief in new values. The Child and Markoczy (1993) theory is thus extended by the notion of unintended consequences based on empirical evidence. Unintended consequences are: - behavioural change of self-interest and cognitive change of passivity and/or objectification. A surprise finding was integrative learning with a domestic partner in a non-FDI company. Child and Markoczy (1993) maintain that integrative learning is best, but rarely

achieved outcome. In FDI case companies there is non-learning, as proposed in the typology (sub-section 6.1.2), and the data (Chapter 5). Examples of non-learning in Alpha Group is passivity, expressed in a manager's language: 'we are hired labour' (2/2). Thus, continuous and intensive forced learning in FDI case companies suggests that outcomes of efficiency and transfer are not achieved.

Positive outcomes of managerial learning are experienced in a non-FDI case company in this study. I consider positive outcomes to be HRM practices accepted by employees and supported by managers. In the literature, positive outcomes are negotiated content of practices (Bedward et al. 2003), leading to hybrid systems (Markoczy 1993), or knowledge creation (Dobosz and Jankowicz 2002), or integrative approach with imitation and segmentation (Child and Markoczy 1993). In non-FDI Omicron, learning approaches vary at different stages of practice implementation, showing contingency in their use (Chapter 5, sub-section 5.2.2). Originally, imitation - use of consultants, and forced learning – training courses, accompanied implementation of standard practices. As a result of non-learning – reactions and lack of acceptance, an approach of segmentation - use of elements of practices, or of selective practices followed, while building a hybrid – a mix of elements from different systems. At a later stage, an integrative learning of two domestic partners took place, similar to a foreign and domestic joint venture in the Child and Markoczy's (1993) study. In effect, the Omicron managers admitted that the practice felt familiar, due to, I speculate, cultural adjustments. Thus, positive experience of HRM practice reinforces managerial learning and aids transfer.

The ineffectiveness of training programmes had been studied in CEE literature for benefit of management practice at early-phase transition. The initial focus of training programmes was directed towards ex-socialist managers – for 'change in managers' mindset' (Cyr and Schneider 1996; Villinger 1996). Lack of cultural fit in training programmes noticed by some researchers (cf. Fey and Denison 2003;

May and Puffer 2005) prevents institutionalisation of management concepts (Bedward et al. 2003). This study concerns later-phase transition and different training objectives. Although the content of training programmes in FDI and non-FDI companies is broadly similar, it is intensive in FDI companies, and pragmatic in a non-FDI company (Chapter 5, section 5.2). Intensive and continuous training implies that employee productivity and efficiency are lower than expected. Some examples follow. Alpha Group's managers have continuous training built into a performance appraisal cycle. Managers perceive HRM practices as overused, hence evidence of partial effectiveness of training. Beta Group has 'a big training budget' (1/2) believing that a change of managers' mindset will take generations. Thus, expected outcomes of training as supporting management concepts are partly achieved, arguably for reasons of lack of cultural fit.

Ineffective transfer is explained by various learning frameworks. In classical modernising approach, assumption is that learning leads to socialisation into new values (cf. Scott 1987 in Markoczy 1993). The implication is that managers 'have to adapt' (Kostera 1995) - a phrase frequently uttered by local managers in this study. In contrast, the 'travels of ideas' theory of Czarniawska and Jorges (1996) shows how concepts from one context are re-interpreted for another context. Evidence of this study supports other approaches, such as knowledge creation (Dobosz and Jankowicz 2002); and in HRM - a negotiated approach of Geppert and Williams (2006), or hybrid systems (cf. Fey and Denison 2003; Markoczy 1993; May and Puffer 2005; Michailova 2000). In FDI case companies, dependency approach (Danis and Parhke 2002) explains ineffectiveness of standard practices transfer (Chapter 5, section 5.2), with the following examples. In Beta Group, a minority foreign shareholder unsuccessfully attempted to implement new HRM practices. In Alpha Group, the initial approach of the foreign investor was 'laissez faire'. Both FDIs changed HRM policies when they became majority shareholders. Managers' reactions to changes had been negative, in line with reactions to change

(Napier 1989). On grounds of this study's evidence, I argue that neither the content of training courses, nor the intensity of training, but ethical and cultural content of HRM practices affects managers' support for practices, as shown in section 6.3. Thus, effectiveness of training is not programme-content-dependent, but rather local managers' values-dependent.

Talent management focus in FDI companies is a secondary finding in this study (Chapter 5, section 5.3). In Alpha Group, some local managers share their working time between Poland and the country of HQ. In Beta Group, multinational teams develop banking products and meet monthly in different countries. Some FDI managers move to non-FDI companies. These findings are ambivalent and inconclusive and indicate that FDI companies use training to invest in talented individuals and to incorporate them into their global networks. In the literature, business publications regard Poles working in the Middle East and Russia as positive in terms of global skills development by local managers (Walewska 2006). Another perspective is taken by critical management scholars who argue that valuable human resources are extracted from host countries by FDI companies (cf. Eden and Lenway 2001).

6.5   Propositions on relationships between study's variables

Viewing a typology of reactions in the light of three other variables of the construct (Figure 3, sub-section 6.1) leads to formulating propositions on relationships between types of local managers, transfer outcomes, managerial learning and values. In a typology of reactions (Matrix 1, sub-section 6.1.2), I demonstrated how four managerial types would vary in transfer of practices in specific conditions of managerial learning, along dimensions of behavioural and cognitive change of Child and Markoczy (1993). Attributes characteristic of each type, and expressing behaviours, beliefs and attitudes represent pre-existing,

traditional or emerging, neo-liberal values. Three key ideas are grounded in the propositions – of transfer as tension, of co-existence of traditional and neo-liberal values, and of managerial learning as producing an unintended kind of behavioural and cognitive change, as elaborated in sections 6.2, 6.3 and 6.4 respectively. The propositions below show how each type reacts to transfer of HRM practices as the result of individual-level change in behaviour and/or cognition, in conditions of different kinds of managerial learning of Child and Markoczy (1993), that affect, or not, pre-existing values by creating emerging values. The four types are: 'Value adder', 'Competencies developer', 'Manipulating navigator', and 'Adapting survivor', and are described in relation to transfer outcomes.

A type of manager with a focus on a career and monetary benefits – 'aggressive shark' of Fryzel (1999 in Wawak 1999) is 'Value adder' in the typology (Matrix 1, sub-section 6.1.2). The 'Value adder' attempts to transfer standard practices ineffectively by being uncritically supportive, thus contributing to hard or distorted practices. Transfer appears to be ambivalent, while creating negative experience for participants. Behavioural and cognitive change demonstrated is - passivity and/or objectification. These had developed via managerial learning of imitation – use of consultants (Child and Markoczy 1993), and forced learning (ibid.) – training courses, with content uncritically accepted. Neo-liberal values thus developed are demonstrated as materialism. Traditional values are denied and/or exist in personal sphere as family and 'work to live', thus leading to Proposition 1:

The 'Value adder' type will attempt to transfer standardised practices when high behavioural and high cognitive change is arrived at via managerial learning of imitation and forced kind, and when dual-value system exists with neo-liberal values demonstrated, and traditional values denied.

Another type – 'Competencies developer', with a focus on professional competencies and monetary benefits to reflect these competencies, supports selective elements of HRM. Alternatively, under excessive pressures of HRM practices, he/she exits suggesting non-learning (Child and Markoczy 1993). Transfer appears to be partial or limited. Behavioural and cognitive change is – commercial awareness and unintended consequences of self-interest. These are developed via managerial learning of reluctant segmentation (ibid.) or pragmatic segmentation of Kostova and Roth (2002), with practice content critically assessed. Neo-liberal values thus developed might be interpreted as negative freedom of Hayek (1992), and traditional 'freedom from' or self-actualisation, and/or 'work to live', thus leading to Proposition 2:

The 'Competencies developer' type uses elements of practices when low behavioural and high cognitive change is arrived at, via managerial learning of segmentation and/or non-learning kind, and when neo-liberal values are selectively acquired, and traditional values selectively retained.

In contrast, integrative learning (Child and Markoczy 1993), or alternative - internalisation (Kostova and Roth 2002), or institutionalisation (Frenkel 2005) are achieved with customised or hybrid HRM practices by two other types of managers in the typology – 'Manipulating navigators' and 'Adapting survivors'. The former type works for FDI companies, the latter – for a non-FDI company. The 'Manipulating navigator' type negotiates compromise with all stakeholders and customises practices for employee acceptance. Transfer is achieved of diluted and not 'full strength' practices. Behavioural and cognitive change is of adaptation. It is developed via managerial learning of received kind (Child and Markoczy 1993) – willingly attended training and self-development, and imitation (ibid.) with practice content evaluated. Neo liberal values thus developed are shown as individualism with democracy, and traditional egalitarianism of stakeholder approach, thus leading to Proposition 3:

The 'Manipulating navigator' type will partially transfer negotiated and customised practices when high behavioural and low cognitive change are obtained via managerial learning of received and imitation kind, and when traditional values are retained and neo-liberal values are experimented with.

The 'Adapting survivor' type appears to fight top-down standard practices from consultants, develop hybrid systems with concepts from different value-sets, create shared values, or integrative learning (Child and Markoczy 1993) with their partner. Transfer is achieved of hybrid practices, with a mix of concepts and methods. Behavioural and cognitive change is of unintended consequences of self-interest. It had developed via past managerial learning of forced (ibid.) kind, with content assessed and rejected. Present managerial learning is pragmatic segmentation of Kostova and Roth (2002) of selected content. Neo-liberal values are absent, with altruism replacing materialism, with traditional values of 'freedom from', self-actualisation, egalitarianism, collectivism, and 'work-to-live', leading to Proposition 4:

The 'Adapting survivor' type creates hybrid practices when low behavioural and low cognitive change are arrived at via managerial learning of forced learning and segmentation kind, and when neo-liberal values are experienced and rejected, and traditional values are returned to.

Thus, a total effect of support and transfer of HRM practices is limited for the following reasons: - a) a limited number of managers participate in transfer; b) a small number of managers create distorted practices with negative outcomes for practice participants; c) a limited number of managers develop negotiated and customised practices.

To sum up, findings from the literature relate to two approaches, and this study's findings support negotiated approach (Geppert and Williams 2006) to practices, as producing better outcomes for transfer and participants. Findings from this study

are that standardised HRM practices are used by FDI companies with outcomes of reactions, including passivity and objectification in local managers. Customised or hybrid practices are negotiated by managers in FDI and non-FDI companies, with slower and partial transfer, but with the benefit of employee acceptance.

Conclusions

In Chapter 6, I introduced a typology of local managers' reactions to HRM practices, and followed with a discussion on three themes. These were: implementation of HRM practices, managerial learning and local managers' values. The chapter's aim was to elaborate types of support for HRM practices, as evidence of varied, and limited institutionalisation of practices, and to demonstrate the effectiveness of a negotiated transfer approach. The second aim of the chapter was to compare the findings of this study with findings in literature. With reference to the chapter title, I concluded that pragmatic, negotiated, and customised practices are supported and transferred by local managers. This conclusion was reached as result of findings that are summarised as follows.

In a typology of local managers' reactions, I show that support for practices is limited. Standard and hard HRM practices in FDI companies have outcomes of reactions. Post-1989 transition reinforced traditional values, with national and regional identity traits in local managers. Socialism became de-institutionalised in later-phase transition. In managerial learning, unintended consequences of behavioural change in managers is self-interest, and of cognitive change – passivity and objectification. Both appear to create ambiguous and/or ineffective transfer. Propositions are put forward related to four types of managers, transfer of practices, values and managerial learning.

Next, in Chapter 7, I provide conclusions of this study. I commence with answering the research question. Next, I detail the study's contribution to CEE literature, to theory and to management practice. Third, I state the study's limitations and provide recommendations for future research.

7: Conclusions

The context of this study is later-phase, post-1989 transition with local managers engaged in workplace modernisation and/or transformation and to this effect - implementing Western HRM practices. The thesis focuses on local managers' reactions, based on their values, as actors who transfer, or not, Western HRM practices in FDI and non-FDI companies in Poland. Specifically, the aim of the study was to examine the effect of managerial learning as institutionalising emerging values, and to compare it to the effect of external pressures de-institutionalising, or not, pre-existing values. The research question also relates to the outcome of managerial learning, that is, support and transfer of practices by local managers. Concern with effectiveness of transfer is significant, as linked to a wider concept of CEE workplace modernisation.

Organisational-level relationships of transfer process and outcome, with institutionalising factor of managerial learning, and de-institutionalising factor of external-pressures-based-values are addressed in the first part of the research question. The question asks: - How do values and managerial learning affect local managers' reactions to transfer of Western HRM practices? The answer is that the effect of values on local managers' reactions is stronger than the effect of managerial learning. The reason is not managerial learning, but HRM practices that embody neo-liberal values different from values of local managers. The evaluation of management concepts in managerial learning is made on the basis of traditional, pre-existing values that are, I argue, national and regional, rather than socialist. On the one hand, the deep embeddedness of traditional values makes them resistant to de-institutionalisation. On the other hand, the content of managerial learning that participates in practice transfer creates unintended consequences of neo-liberal self-interest, or passivity with objectification and these become their own moderating factor. Thus, empirical evidence of unintended

consequences of behavioural and cognitive change indicates the existence of duality of values rather than of embeddedness of emerging values.

The level of support, and of transfer of practices is addressed in the second part of the research question: -How far do local managers transfer new Western HRM practices in FDI and non-FDI companies? The answer is that local managers tend to negotiate practices, rather than to transfer standard practices. Evidence from case companies in this study shows that practices are supported by managers, if perceived as pragmatic, or if negotiated and customised for employee acceptance. In contrast, practices are ineffectively or ambiguously transferred, if uncritically imposed, with reactions, unintended consequences of behavioural and cognitive change, and negative practice experience for participants. These conclusions have been reached on the basis of the theoretical framework I developed, and concluding in the fourth construct in the typology I developed, as the result of systematic analysis of empirical evidence from three case study companies, with a chain of evidence elaborated as follows.

Organisational-level relationships are set out in Chapter 1 in the theoretical framework I developed, with three constructs relating to transfer of HRM practices, managerial learning, and local managers' values. The fourth construct represents a broad answer to the second part of the research question, that is – outcome of reactions, and managers' limited support for transfer of practices. The four-type variation in reactions is a typology, and a contribution of this study, elaborated in Chapter 6 on findings. Three constructs are examined in literature review chapters - Chapter 2 on organisational-level themes, and Chapter 3 on societal-level themes. Organisational-level themes of HRM practices, FDI companies and local managers in literature are reviewed in Chapter 2. In transfer of practices facilitated in FDI and non-FDI companies, local managers learn to use practices to support transfer. I establish that elements of a former personnel

model exist in non-FDI companies, and that FDI companies remain sole environment for transfer. Western HRM practices in FDI companies appear to become modified by local managers in transfer process. Homogenous, negative reactions of local managers of early-phase transition are in the current, later-phase replaced by variation in reactions. Findings on modified HRM practices in FDI companies noted in the literature are not confirmed by the data of this study, as subsequently shown in data analysis Chapter 5, and discussion Chapter 6.

Societal-level themes of post-1989 transition with pre-1989 system, and historical experience, as forming traditional and neo-liberal values, are analysed in Chapter 3 using the political history and political economy literatures. I establish that post-1989 transition reinforced regional and national identity traits for all, except for the elites. Historical experience of CEE countries developed regional and national identity traits considered non-Western. Regional traits then became reinforced in socialist period, as matching some concepts of socialist ideology. Emerging neo-liberal values are predominantly a part of work values, but not of personal or societal values. I conclude that on a societal level, moderating factors are stronger than external pressures, thus societal members, and in this study – local managers, are likely to have traditional, and not neo-liberal values. Findings on the effects of socialism are not confirmed by the data from this study. Regional identity traits are misattributed to socialism, I argue, with some attempts to de-institutionalise them, as shown in data analysis Chapter 5, and discussion Chapter 6.

The three constructs from Chapter 1 are returned to in Chapter 5 for the purpose of data analysis to explore the empirical findings from case studies. The themes of implementation and content of HRM practices, managerial learning, and local managers' values are analysed in turn, under the labels taken from interviewees' language. The analysis shows that managerial learning supports transfer of

practices to a limited extent. In practice, managers combine concepts from different approaches in order to obtain employee acceptance and to manage workplace relationships with owners and subordinates. In a wider sense, local managers' subjective evaluation of concepts learned during training, and experienced in reality of transition, leads to variation in reactions. I conclude that managers have the ability to transfer practices, but willingness to transfer remains ambiguous. Thus, empirical evidence from this study does not fully support findings from literature, but extends managerial learning theory of Child and Markoczy (1993).

The fourth construct I introduced in Chapter 1 is returned to in findings Chapter 6. Level of support for transfer of HRM practices by local managers formulated in the second part of the research question is addressed by a typology of local managers' reactions to transfer of practices I developed. In a typology, variation in reactions shows four patterns of support along behavioural and cognitive change dimensions. One type of manager shows passivity towards HRM practices, hence compliance, or negative objectification, and not support. Three types of managers in four negotiate and customise practices, hence limited support. In a wider sense of workplace modernisation, two types of managers in four achieve transfer with a positive outcome of efficiency for company and acceptance by employees. Local managers do not transfer practices uncritically, but rather affect process of customisation of practices for pragmatic reasons. However, transfer is slower and partial, and practice customised or hybrid. Thus, a dilemma of imposed integration of standardised practices and slow negotiated transfer of customised practices - that is, of two approaches to transfer, is resolved by using HRM practices contingently, as shown in data analysis Chapter 5. Propositions are put forward on relationships between key variables. Three ideas are grounded in propositions - of transfer as tension, of co-existence of traditional and neo-liberal values, and of managerial learning producing change with unintended

consequences. Propositions show how each managerial type reacts to transfer of HRM practices as the result of individual-level change in behaviour and/or cognition, in conditions of different kinds of managerial learning of Child and Markoczy (1993), that affect, or not, pre-existing values by creating emerging values.

Contribution

The contribution of this research, briefly stated in Chapter 1, is to CEE literature on grounds of originality, to theory, and to management practice. CEE literature, while studying transition as change and transfer as modernising, does not study specifically reactions to transfer. This study considers the effect of managerial learning with its unintended consequences, and contrasts it with the effect of external pressures and historical experience. It develops the concepts of regional and national identity traits, duality of values, and unintended consequences of managerial learning - self-interest and passivity/objectification. In effect, it contributes to understanding of phenomena of transfer in a context of transition.

As a theoretical contribution, the study extends the managerial learning theory of Child and Markoczy (1993) in three ways. First, the theory was formulated on the basis of interviews with foreign managers in Hungary and China's JV companies in the early-phase transition. In this study, I provide empirical evidence from local managers employed in Poland's FDI and non-FDI companies in the later-phase transition. Second, the theory used the definitions of behavioural change as willingness to apply new practices, and of cognitive change as understanding of market economy, both based on an assumption of benefiting employer rather than employee. This study uses broader definitions to include unintended consequences of change. The effect on transfer is opposite from expected – lack of interest, or ambivalent transfer with employee reactions. Third, the theory identifies

integrative learning as the best outcome of managerial learning in JV companies. This study provided an example of integrative learning of two domestic partners. It also confirms findings of Child and Markoczy (1993) about imitation and segmentation as dominant modes of managerial learning.

The contribution to management practice is evidence of the complexity of managers' reactions to practices that, in turn, has implications for transfer. A typology is proposed, developed from grounded theory coding, that captures variation in reactions and indicates patterns of support and transfer. It summarises evidence for effectiveness of negotiated approach. The study engages with two approaches to practice transfer by showing outcomes of standardised practices used in FDI companies, and contrasting them with more positive outcomes of customised practices in a non-FDI company. Specifically, I show how standardised practices create practice distortion, and how limited local managers' support is for standardised practices. I provide evidence that effectiveness of training is not programme-content-dependent, but values-dependent. I show that intensive training is unlikely to increase managers' support for practices, as HRM practices are not value-neutral, but embody concepts that are both contradictory and incompatible with national and regional values. By identifying a dilemma between ambivalent transfer of standardised practices, and partial transfer of negotiated and customised practices, this study attempts to contribute to the wider debate on CEE workplace transformation or modernisation.

Limitations

The limitations of this research are potential methodological biases, and emergent topics signalled in Chapter 5, that did not receive attention for lack of relevance to the research question. Methodological biases are related mainly to specificity of CEE research context, but also to limitations of qualitative method. Interviews

using note taking affected the quality and quantity of the data and obstructed observations. Similarly, sensitivity and politics of CEE organisations prevented the use of data validation procedure. Other limitations – of qualitative nature, might have affected the quality of the data although every effort has been made to minimise biases.

Access restrictions might have affected quality of data collected, balanced by the researcher's skills. The study's findings are based on interview transcripts from company-selected respondents and interview questions were approved prior to granting access. The study sample is biased in favour of FDI companies, head offices and managers, thus arguably representing a management view of transfer. The study does not claim generalisability because of limitations of size of sample, access and population sampling restrictions, and self-reporting of participants. In order to achieve generalisability, future research would need to include companies of different sizes and industry sectors, using quantitative methodology. Moreover, the present typology is a content view of reactions. A longitudinal study is needed to add a process dimension, identifying contingencies in use of HRM in companies.

Future research

Avenues for future research would primarily involve testing of the proposed typology in order to improve effectiveness of transfer in organisations. In addition, future research could examine emergent topics from this study that relate to transfer and modernising CEE organisations. Of interest are non-managerial employee reactions and non-FDI companies to study practice diffusion. Of significance is also the effect of social democracy concepts transferred via the EU membership. How will the EU labour legislation impact on hard HRM workplace practices? Is age and gender discrimination in all three case companies likely to persist? How will talent management policies develop in FDI companies? Will

HRM practices be diffused to SMEs in Poland?   Current training programmes are EU-funded, thus supporting transfer of practices. Would high-cost practices be abandoned in conditions of non-EU funding? The general aim of this thesis was to advance understanding of dilemmas of potential institutionalisation of Western HRM practices by local managers in FDI and FDI companies that I attempted to achieve. In a context of CEE transition, external pressures will remain, so will the moderating factors. Political and economic pressures of the EU and the global economy will remain, so will the CEE countries' strategic position between East and West, with their historical experience, rather homogenous regional identity, and strong national identities. In the light of lack of evidence for wholesale acceptance of global values in workplace modernisation, a notion of local managers' duality of values, and of parallel lives in FDI and non-FDI companies seems a pragmatic reality.

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Appendix A   Sample population

Case 1 Beta Group: Interview participants – sample pilot June/December 2006

Number	Gender	Age group	Education	Experience	Position	Yrs in job
1	f	35-45	PhD economist	10+	Co-ordinator	1
2	f	35-45	MA economist	20+	Senior mngr	7
3	m	25-35	MA economist	10+	Senior mngr	2
4	f	45+	MA economist	10+	Senior mngr	2
5	f	25-35	MA economist	5-10	Jnr mngr	1.5
6	f	25-35	MA economist	10+	Senior mngr	3
7	m	25-35	MA economist	5-10	Manager	3
8	f	25-35	MA economist	5-10	Executive	2
9	m	35-45	MSc economist MBA	20+	Manager	2
10	f	45+	MA lawyer	20+	Senior mngr	4
11	F	45+	MA economist	20+	Executive	8
12	m	45+	MSc,engingeer.MBA	20+	Senior mngr	1

Case 2 Alpha Group: Interview participants - December 2006

Number	Gender	Age group	Education	Experience	Position	Yrs in job
1	f	35-45	MA languages	10+	Senior mngr	2
2	f	35-45	MA law	15+	Senior mngr	8
3	f	35-45	MSc engineer	10+	Senior mngr	4
4	m	25-35	MSc HRM	10+	Senior mngr	1.5
5	f	35-45	MA mngmt & finance	15+	Jnr mngr	2
6	m	25-35	MSc finance	10+	Senior mngr	0.5
7	f	25-35	MSc banking & taxation	10+	Jnr manager	0.5
8	m	35-45	MSc finance	15+	Senior mngr	0.5
9	f	35-45	MSc banking	10+	Jnr mngr	0.25
10	m	45+	MSc electronics	20+	Senior mngr	Few days

Case 3 Omicron: Interview participants –December/July 2007

Number	Gender	Age group	Education	Experience	Position	Yrs in job
1	m	25-35	MSc,MBA economist	10+	Senior Mngr	3
2	m	25-35	MA economist	10+	Senior mngr	5
3	m	45+	MSc economist	20+	Advisor	3
4	m	25-35	MSc economist	10+	Senior mngr	1
5	f	45+	MA economist	20+	Jnr mngr	1.5
6	m	35-45	MSc economist	10+	Senior mngr	2
7	m	25-35	MSc computing	10+	Jnr manager	3
8	m	35-45	MSc economist, MBA	15+	Senior mngr	3
9	f	35-45	MSc psychology	10+	Executive	3
10	m	35-45	PhD economist	15+	Senior mngr	2

Appendix B   **Access letter**

Flat 3 Uplands
75 Fitzjohn's Avenue
London NW3 6PD

17 November 2006

Mr X.Y
Chairman
B3
xxx
Warsaw
Poland

Dear Mr Y

Re: Human Resource Management – new work practices

I wonder if your company would consider brief participation in academic research.

I am on a doctoral programme with Nottingham University Business School in England, and working in the area of implementation of new working practices in banks in Poland.

I would like to include the experiences of your company in a form of a case study, and also, to put forward the views of your executive and management employees, on the highs and lows of implementation process, in a wider societal and economic context.

For that purpose, I would like to ask a few of your employees about teamwork, training, performance appraisal/feedback, communication, etc. in one-to-one conversations.

In the spirit of ethical research, commercial confidentiality and anonymity of the company would be protected and the findings of this research, which is a part of a wider study, would be available to the company, and likely to contribute to a successful implementation process of work practices. I very much hope that you will be interested in this mutually beneficial project.

I plan to be in Warsaw in December 2006 – January 2007 and will be happy to meet at your convenience to discuss the details. I will telephone you to see if this is possible. In the meantime, any questions you may have regarding this study can be answered by email. You may contact me in English or in Polish on lixmh7@nottingham.ac.uk.

I look forward to hearing from you.

Yours sincerely

Marie Hines
Nottingham University
Business School

Appendix B   Translation

Szanowny Panie Prezesie

Re: Zarzadzanie zasobami ludzkimi - nowe metody pracy

Pisze aby zapytac czy jest mozliwosc aby firma Panstwa wziela udzial w badaniach naukowych.

Jestem na programie doktoranckim w Nottingham University Business School w Anglii, i badam w dziedzinie nowych metod pracy stosowanych w bankach w Polsce.

Chcialabym wlaczyc doswiadczenia Panstwa firmy w formie opisu przypadku i rowniez przestawic poglady i opinie kierownictwa, oraz blaski i cienie procesu wdrozenia nowych metod pracy na szerszym tle spoleczno-ekonomicznycm.

W tym celu, chcialabym zapytac kilku pracownikow Banku Pocztowego o ich doswiadczenia w dziedzinie pracy w zespolach, szkolen, procedury oceny wynikow pracy/feedback, porozumiewanie sie, itd. w osobistych rozmowach.

W duchu badan etycznych, anonimowosci i ochrony komercyjnych informacji, tozsamosc firmy i pracownikow bedzie chroniona w badaniach. W dodatku, wyniki badan, ktore sa czescia wiekszej pracy beda udostepnie firmie w formie raportu. Mam nadzieje ze beda Panstwo zainteresowani tym korzystnycm dla obu stron przedsiewzieciem.

Planuje byc w Warszawie w grudniu 2006 – styczniu 2007 i chcialabym sie spotkac aby wyjasnic szczegoly. Zadzwonie, aby sprawdzic czy to jest mozliwe. W miedzyczasie, moge odpowiedziec na pytania poprzez email. Prosze o kontakt po polsku lub angielsku na adres lixmh7@nottingham.ac.uk.

Mam nadzieje na przychylna decyzje w powyzszej sprawie.

Z powazaniem

Marie Hines
Nottingham University
Business School

Appendix C

Multinationals, new work practices and host country employees: case studies in Poland.

[Briefing: date, place, time, present, research objectives, confidentiality
Wstep: data, miejsce, czas, obecni, cel badan, poufnosc informacji]

You:
 a. *Gender m/f* plec
 b. *Age group 25-35/ 35-45/ 45+* wiek
 c. *High school/BA/MA or MBA/other* wyksztalcenie
 d. *Work experience in years: 1-3/ 3-5/ 5-10/ 10+/ 15+/ 20+* lat pracy
 e. *Position type: professional/executive/managerial/other* stanowisko
 f. *How long in your present position:* jak dlugo na stanowisku

Your company:
 a. nationality: *French/German/British/US/other narodowosc*
 b. industry: *przemysl*
 c. number of employees: *liczba zatrudnionych*

0.1. What is your role in the company?
Jakie zadania spelnia Pan w firmie?
0.2. Can you tell me about the HRM practices that you have experienced in the company?
Czy moze mi Pan powiedziec o zachodnich metodach pracy ktor Pan doswiadczyl w firmie?

1.1. How did this practice come to be introduced?
Jak doszlo do wprowadzenia tej metody?
1.2. How does it relate to Polish values?
Jaka sie ta metoda koreluje z Pana narodowymi wartosciami?
1.3. How does it relate to the HRM practices in the head office?
Jaka sie ta metoda koreluje z metodami pracy zastosowanymi w zarzadzie glownym?
1.4. How does it relate to the current Polish labour legislation?
Jaka sie ta metoda koreluje z obecnym polskim prawodawstwem pracy?

2.1. Were there any HRM practices that were critical for you?
Czy ktora z tych metod pracy miala dla Pana szczegolna waznosc?
2.2. How did you feel about this practice at the beginning, and after a while?
Jak czul sie Pan stosujacte te metode na poczatku, i po jakims czasie?
2.3. Do you think that you benefit or that the company benefits from this HRM
     practice?
Czy Pan uwaza ze ta metoda jest korzystna dla firmy, czy tez dla Pana?

3.1. How were the outcomes measured?
Jak mierzono wyniki zastosowania tej metody?
3.2. What happens after the outcomes?
Co sie stalo z metoda pracy po pomiarze wynikow?
3.3. Did you obtain results as expected, or different from expected?
Czy osiagnieto wyniki jakie oczekiwano, czy inne od oczekiwanych?
3.4. Do you see any connection between the HRM practices and performance?
Czy widzi Pan zwiazek miedzy zachodnimi metodami pracy i wynikami finansowymi firmy?
3.5. What is important about work for you?
Co jest dla Pana wazne w pracy?

Debriefing *Zakonczenie*
© 2006 Hines, M. 28/5/06

Appendix D Coding process

Interview transcript

Competency is sensitive →

1.1. The most important HR tool is the competency model, the most difficult task is convincing people to believe that this is the key system, its application… to change the attitudes so that it becomes less sensitive.   *is*

attributed to national traits →

1.2. The Poles are very sensitive, are not keen to receive assessment, are very emotional about and take it to heart, take it too seriously.   *t*

reactions →

Every year we have a revolution here, there are long discussions, it undermines their ambition. In 2002 we suspended the system, there were changes in the bank, the Belgians took over, restructured in 2004 for a few months, now it's a totally different bank.   *err*

history of HRM →

The system returned in its new form in 2005, now we have influence of asessment on pay, and meeting targets on a bonus, before we had no link.   *hr*

passivity →

1.2. No, we have to accept that our bosses assess us in an analytical way, it's been very widely used in banking for a while…it needs time.   *pa*

standard HRM →

1.3. The competency model is a corporate model.   *is*

flexible legislation →

1.4. It's neutral towards labour law, if the employer wants to dismiss someone, the assessment is evidence, the employee can also use it to defend himself in court.   *et*

attributed to national traits →

2.1. I notice the Poles' reluctance to submit to assessment, so many discussions, it's so emotional. Appraisal… a defence against certain   *t*

negative assessment of HRM →

dehumanisation and reducing everyone to one format. Our competency model has 20 competencies for managers, there are different ones for specialist banking knowledge.   *hrd*   *hrh*

Overuse

Memo writing

employee 12   *Case 1*

1/12 most important is profit   *unic*
1/12 describes career in banking   —
1/12 targets monitored every day   *hra*
1/12 door is always open management style   *lrb*
1/12 intelligent he is bound to lost a lot   *nlc*
1/12 employee should be basic   *nlc*
1/12 high staff turnover   *hrh*
1/12 I do what I'm paid for (nervous twitching)   *nlc*

Clustering

case 1

HRM pragmatic hrp

when employee feels secure he works better 1/4
he rotated role, transfer now difficult - law 1/3
improvement in quality 1/5
company can interpret it in any way it wishes 1/11
now global company 1/1
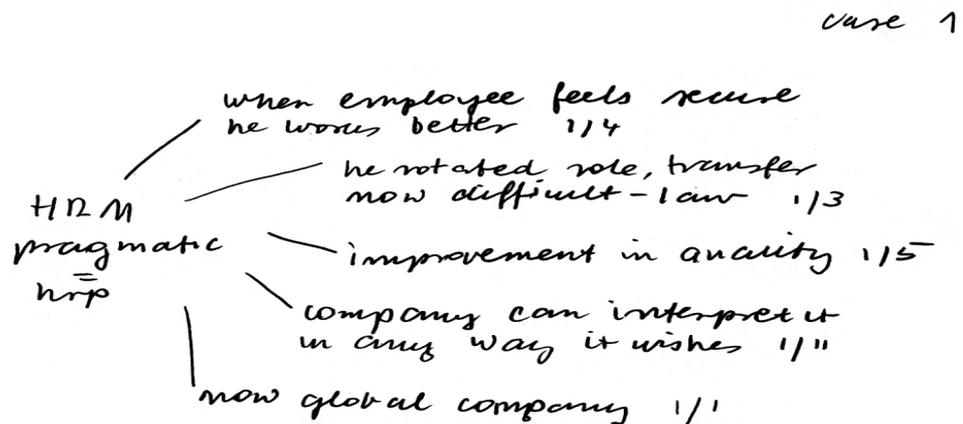
Appendix E   Coding frame

```
et- experience of transition

hrm – practices
      hra-ambivalence towards
      hrc – HRM – customised
      hrd – HRM – distorted
      hrh- hard HRM
      hro – retains pre-1989 practice
      hrp- pragmatic
      hrq – HRM questioned
      hrs- supports
      ic – implementation - customised
      is – implementation - standardised
      te - – teamwork - conflict
      te+ - teamwork - successful

tr - training
      trc –change after tr
      trnc –no change after tr
      trb - team building
      trp - training pragmatic

nt – national/regional traits
      ad- adaptability
      au – autonomy
      cl - collectivism
      egs-egalitarianism - surface
      egh- egalitarianism - historical
      nts- socialism
      pa-passivity
      sa – self-actualisation
      t- traditionalism -romantic nationalism
      wl- work to live

nl – neoliberal behaviours/values
      nlav – adds value is nlc+
      nlb – behaviours
      nlc- cognitive -beliefs
      nlp- pragmatic use
      nlr- rejected
      nls- sceptical about
```

Appendix F **Summary matrix**

Construct/ element	code	Label	Interpretations	Literature	C1, (i), (o), (d)	C2 (i), (o), (d)	C3 (i), (o), (d)
Transfer of HRM practices: implementation standardisation	is	Teaching new behaviours (1)	top-down, imposed	internalisation – Kostova & Roth 2002, integration – Bartlett & Ghoshal 1995, dogmatic, evangelical Danis & Parkhe 1999, 'theory X' – Hurt & Hurt 2005	6	4	1
customisation	ic		adapted modified customised	hybrid – Markoczy 1993, negotiated approach- Geppert & Williams 2006, parallel systems-global and national culture - Graf 2004	3	0	10
Content of HRM practices as perceived by managers	hrh /hrd	Squeezing out profits (1)	intensification of work, long hours, exploitative	hard, distorted- Fryzel 1999, Meardi 2006, Stelmach 2005	9 hrh 6 hrd	8 hrh 16 hrd	1 hrh 1 hrd
	hrq	Pretty slogans (3)	value of practice questioned	no HRM-performance link – Pfeffer 1994	6	9	5
	hrp	Engine for activities (3)	practical, pragmatic, cost saving	segmentation, imitation – Child & Markoczy 1993	5	5	14
	trc, trp		pragmatic, technical management skills	as tool to facilitate organisational change – Cyr and Schneider 1996, limited in transition- Villinger 1996	0	0	8 hrs/p.a. per employee
Change: behavioural – relationship with owner	nlb, nlp	Selling labour (1)	materialism, competitiveness, unintended consequences of behavioural change - self-interest,	managerial learning – Child & Markoczy 1993	6	4	17

Category	Codes	Type	Description	References			
Change: cognitive	nlc	Adding value (1)	achieve goals, follows instructions, paid for stress unintended consequences of cognitive change – passivity, objectification	profit of shareholders main objective of Western managers – Filatotchev et al. 1999, transient and material-success-dependent – Struzycki 2001,	8	6	2 – relate to processes
Perception of role of manager	nlc, nlav pa	Hired labour (2)	consider interests of owner/clients	objectification of people in capitalist organisation – Bukharin 1943	7	10	1 denied
	nlb, ad, sa,	Navigating (3)	consider all stakeholders including employees, 'manipulate', 'have influence',' as art'	stakeholder approach of Russian post-transition managers – Filatotchev et al. 1999	4	6	8
	wl, egh, nhr, nls	By instinct (2) or natural manager (3)	look after people, expect to be looked after	socialist paternalism – May & Puffer 2005, Stelmach 2005, autocratic and laissez faire management styles- May & Puffer 2005,	5	5 4 denied	6
Historical experience: National identity traits	t nls nhr, et	Choking on capitalism (2)	'Poles are different', mentality, compare themselves to others, ignore others	romantic nationalism: source – defender of Christianity – Rose 1939, military power against Turks – Heffernan 1998, 'Golden Liberty' period as basis for' freedom from' concept- Wierzbicka 1997, references to past –Tarkowska 1992	12	7	7 4 denied
Work to live	wl		good working conditions, harmony, people	quality of life- Jasinska Kania & Maroda 2002, Ashwin & Popova 2006, reject new values –Camiah &	5	12	14

				Hollinshead 2003,				
Self-actualisation	sa		independence, autonomy, freedom from employer, intellectual challenge, creativity	post-materialistic values- Inglehard & Baker 2001, Budzisz 2004, Ashwin & Popowa 2006	7		6 2 denied	14
Regional identity traits: Egalitarianism - historic	egh	No need to compete (3)	all equal, lesser awareness of hierarchies	in workplace – Whitley & Czaban 1998	5		0	7
	egs		first name terms	surface egalitarianism – Pfeffer 1994	4 1 (o)		3 3 (o)	1 (o)
collectivism	te+	We are all specialists here ((3)	like a family, force co-operation	consensual decision making – Camiah & Hollinshead 2003, STU- Vlatchoutsicos & Lawrence 1990	3		0	3
	te-		team members interchangeable , individual competition within team, mobbing, conflict		2		2	0
Passivity	pa	Raw material in organisation (1)	have to accept, have to submit, all have to adapt	historical – Longworth 1997, Heffernan 1998, belief in fate & destiny - Fey & Denison 2003, Michailova 2000, caused by modernising - Markoczy 1993	2		3	2
Adaptability	ad		we are adapting	'ceremonial adoption' of practice - Meyer & Rowan 1977	1		3	2
External pressures: 1989 transition	et	Choking on capitalism (2)	disillusionment, system merciless, survival	de-institutionalisation theory – external pressures and moderating factors Oliver 1992, 'shock therapy" – Stiglitz 1999, social experiment-	4		10	4

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Pre-1989 system	nts	Certain political system (1)	socialism	Kolankiewicz 1996, hybrid political system – Ost 1993 bourgeois versus socialist values –Jakubow 2000 Socialist work ethics – Kozminski 1998, socialist 'freedom to do' – Weaver 2003	3	2	2

Legend: (i) interviews-based evidence
(d) documents-based evidence
(o) observations-based evidence
s (strong evidence, >5) s+ (strong plus, >10), s++ (very strong, >15)
m (moderate, <5)
w (weak, 1-2)

(1), (2), (3) – case companies Beta Group (C1), Alpha Group (C2), Omicron (C3)

Not included in analysis	Code	Reactions	Illustrations	C1	C2	C3
Reported employee reactions as evidence of managers' ability to transfer	erc	Conform	no conflict, accepted	1	1	0
	ers	Sceptical	reluctant, excuses, cautious	1	1	4
	err	Resistance	reject, emotional, can't accept	13	4	1
	erx	Exit	high staff turnover	4	0	0
	ero	other	'I'll carry on as before'	1	0	0
			uses other methods	0	0	1