

NEGOTIATING MANAGERIAL LEGITIMACY IN SMALLER ORGANIZATIONS: MANAGEMENT EDUCATION, TECHNICAL SKILL, AND SITUATED COMPETENCE

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The Negotiation of Managerial Competence

This article examines the negotiation of managerial legitimacy between managers and employees through qualitative multiple case analysis of four smaller organizations,¹ each employing fewer than 50 people. By negotiation, we refer to the processes through which general acquiescence to the inevitable facts (Fox, 1985) of temporary managerial authority is constructed. In this, we seek to incorporate analytically both the subjective and structural elements of work organization (Ezzamel, Willmott, & Worthington, 2001) that condition the negotiation of order to enable production, following recent work that emphasizes the “messiness” of managerial authority (Knights & McCabe, 1998) and the continued recalcitrance of employees when subjected to such authority (Gabriel, 1999).

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We suggest that order is achieved through negotiation in part from the use and contestation of competence as a signifier of legitimacy. The notion of competence in the context of our data and analysis is defined, however, as a socially constructed, situated, and above all, temporary understanding between managers and managed rather than as a fixed, externally defined object that managers possess and that confers legitimacy. The subject of the article is therefore the interactional relationship of these processes within the context of asymmetrical power relations inherent to work organizations. In adopting this perspective, we seek to emphasize the reflexive constitution of subjectivity in the workplace for both managers and employees and the role that managerial credentials can play.

Through this, we distinguish between the perceptions of employees toward symbolically legitimated competence acquired during management development and education² and local competence acquired through technical expertise and organizational socialization (Stinchcombe, 1959). Our analysis illustrates how managerial legitimacy is created or challenged through negotiation of the meaning of these and other competence signifiers. Competence is thus not a fixed legitimizing sign but a group of notions discursively marshaled as resources. As Dalton (1959) argued, titles and paper representations of an organization refer to expectations rather than the routine activity of work.

Our analysis suggests that managers are still liable to be asked to “command by example and by demonstrated competence” (Dalton, 1959, p. 30) as much as they are expected to demonstrate competence through possession of educational credentials. Authority and legitimacy are thus not assigned to a role, as employees and managers use competence to gauge the legitimacy of managers and to judge managerial actions in a social context. However, the process through which order is negotiated has certain material effects and outcomes, which we also consider in this article. In particular, the managerial prerogative to design work processes and set pay levels, based on perceptions of employee skill, formed a focus for employees in questioning managerial legitimacy, and these are therefore treated in some detail.

Through this analysis, we aim to deepen understanding of the use of certificated and noncertificated management education and development in smaller organizations. We include management development within our analysis, as the incidence of managers participating in management education in our case study organizations is low. This more broadly reflects the position in smaller companies in the United Kingdom. In addition, as we argue throughout the article, we are also seeking to locate management education within a broader system of legitimating devices, as managers and employees in our case organizations did. The study, therefore, aims to throw

light on the negotiated nature of managerial legitimacy and the way in which competences (whatever the means through which "they" can be attained) are used as resources.

More specifically, the study also seeks to contribute to ongoing debates about the most effective means to achieve improved performance in small companies. British government policy has focused on raising levels of managerial competence through management education. Lack of formal managerial competence has often been cited as a primary reason for the failure of or low economic performance in smaller organizations in the United Kingdom. Because small- and medium-sized companies continue to be considered as primary drivers in new job generation and the economic success of the nation, the failure of companies to survive and grow is a source of political concern. Structural initiatives to increase the level of management competence through management development and education in smaller organizations have been regularly implemented in the United Kingdom during recent years. These have included initiatives to encourage graduates into smaller companies, funding for business schools to develop courses targeted at small business managers, and increased levels of research funding. Much of the debate over training and development in smaller organizations has centered on the degree to which competence is or should be endogenously or exogenously generated (Curran, Blackburn, Kitching, & North, 1996; Down, 1999; Gibb, 1997). Our analysis lends further support to the argument that the possession of management education or development credentials for those working in smaller organizations should be located within a broader framework of contested managerial control, identity, and iterative negotiation of competence.

Methodologically, we proceed on the basis that it is necessary to go beyond what the "toolmakers" (Bittner, 1965) of management and management development or education define as the competence and legitimacy underpinning authority. This involves incorporating the understandings of the managed in the analysis (Scott, Roberts, Holroyd, & Sawbridge, 1989), in part to access conflict in the organizations studied (Scase, 1995). Key to this is seeing the managed as participants rather than objects, with an active role in negotiating the legitimacy of management (Collinson, 1992) and defining competence. The research thus also follows the developing tradition of ethnographic work exploring employment relations in smaller organizations (Holliday, 1995; Rainnie, 1989; Ram, 1994), analyzing the control-resistance-identity triangle of management and work (Gabriel, 1999).

Central to our analysis is the recognition that employees question the relevance and legitimacy of abstract, generic methods of demonstrating managerial competence and are engaged in a process of negotiation with managers

over its legitimacy. Our analysis illustrates how employees question managerial authority through prioritizing technical socialization, focusing on locally recognized occupational competence (Stinchcombe, 1959). Thus, we suggest that managerial authority in smaller organizations remains rooted in the job context and technical expertise (Hendry, Arthur, & Jones, 1995) as much as in abstract managerial systems and credentials. From this, we propose that possession of a sign of expertise (Goffman, 1990) is insufficient for managerial authority and competence to be accepted as legitimate by employees. The achievement of collective collaboration through local, interactional decision making, which underpins successful organizations, also rests on the social organization of production (Watson, 1994). Our data therefore suggest that to develop managers in smaller organizations, the two processes—signification of expertise and negotiation of legitimacy—need to be seen as either parallel or interdependent. The development of formal managerial competences and authority are part of a wider, socially negotiated, and situated negotiation of working competence legitimate to all organizational participants.

Research Methods

The four companies involved in this research study, Diamondcom, Bodywork, Zincpipe, and Gearbox,³ each employ fewer than 50 people. The first three are independently owned by an individual (Bodywork) or group of individuals (Diamondcom and Zincpipe), whereas Gearbox is the wholly owned UK subsidiary operation of a European parent. Diamondcom and Bodywork are suppliers of business services to larger organizations, whereas Zincpipe and Gearbox are manufacturing companies in light engineering. Although all four organizations have gone through periods of expansion and contraction, they are presented by owners and employees as stable businesses and have been trading for more than 10 years.

The selection of case study companies and the conclusions that can be drawn from such research is a complex area. The research presented in this article does not seek to be judged on the basis of statistical generalizability; rather, it aims for analytical resonance. In addition, there are particular dynamics and conditions that need to be considered when researching smaller organizations, but we would concur with Rainnie (1989) and Ram (1994), who both argue that structural and social conditions of work are fundamentally similar in terms of the labor process whenever there is a capital owner and sellers of labor. This research is thus located within two traditions: small- and medium-sized enterprise research and the strand of “reconstructed” labor process theory that acknowledges the presence and influence

of subjectivity as a mediator of control and resistance in the workplace (Ezzamel et al., 2001; Knights & Willmott, 1989).

Selection of the companies for this research was largely opportunistic and access driven (cf., Holliday, 1995). We follow the anthropological tradition in accepting that the researcher is often relatively passive in the choice of research site, that selection can be more artistic than scientific, and that primary importance should be given to contextualization of the data (Wolcott, 1995). Data were collected during 1998 and 1999, during a period of 8 months. We used a set of themes to guide interviews, but interviewees were encouraged to explore subjective issues of employment relations in addition to the more focused enquiries around human resource management and personnel management systems. As far as possible, the imposition of language and concepts from management and organizational research was avoided during the interviews, as we sought to conceptualize management practices according to the understandings and language use of the organizational participants. In addition, data were collected through consultation of company documentation, informal interviewing on and off the research sites, and attendance at meetings and presentations. In this article, analysis is based primarily on interview data and observation, as we focus on the discursive construction of legitimacy and order as well as respondent understandings of the processes. In all, 62 interviews were taped and transcribed, except for two at Zinepipe in which the interviewees declined to be recorded. Analysis was conducted throughout the data collection through manual coding of the transcripts informed by other data collected to aid the process of refining the research questions, methods, and analytical conceptualization. In this, we sought to capture the cultural understandings of managerial roles and activities prevalent in the companies studied, the meanings attached to management and being managed, and the relations between individuals and groups represented in the interview narratives. Ultimately, our aim is to see and to understand the world of work and management from the perspective of the individual participant, both manager and managed, but to mediate those "naïve accounts" (Silverman, 1993) through analytical consideration of how such accounts are embedded in social organization.

Contextualizing Management

Watson (1994) argued that managing is "simply a matter of running an organization so that the variety of people who want something out of it will go on supporting it in such a way that it is able to continue its existence into the future" (p. 10). Implicit to this definition is the acceptance by those being

managed of managers as legitimate directors of the productive work in the company. Increasingly, definitions of managerial legitimacy rest on the acquisition of credentials (Collins, 1979) in a societal context where heavy emphasis is placed on certifications of competence. However, as recent analyses of managerial authority and employee resistance emphasize (Ezzamel et al., 2001; Gabriel, 1999; Knights & McCabe, 1998), "manufacturing consent" (Burawoy, 1979) to managerial authority is dependent on structural conditions, the social organization of production, and employee subjectivity. There is a necessary negotiation of the social order within which abstract managerial systems operate that brings together individual and collective, manager and employee, structure and culture, and structural and situated competence.

To tease out the processes of negotiation that led to organized order in our four case study companies, we draw in particular on one concept within the interpretive tradition of organizational analysis, that of "negotiated order" (Strauss, 1978, 1982; see also Fine, 1984). This approach involves a focus on meaning in the achievement of order within an organization and maintains that any order can only be arrived at through negotiation. Furthermore, meaning is seen as embedded in the routine social transactions of organizational life, such as talk, rules, values, and ideologies. The nature and course of the social negotiation of order is, however, conditioned by the structural constraints of the organizational context, such as hierarchy, methods of communication available, working arrangements, or the structural legitimacy of certified knowledge. Thus, the structural conditions of work and managing, organizationally and socially (Fine, 1984), also form part of our analysis. This means that local and nonlocal understandings of what constitutes managerial legitimacy and the managerial role are considered. The next section examines nonlocal contexts, which we suggest have been overemphasized in analyses of management competence; we will then turn to the local understandings of the managers and employees in our case companies.

The methods and terminology of managing carried little meaning prior to the establishment of large-scale production for economic gain in work organizations (Jacques, 1996). Crucially, the rise of the professional, legitimated manager can be linked to the separation of capital and labor control that increasing scale demanded (Pollard, 1965), as capital suppliers sought to replace preindustrial, socially negotiated norms with written, calculable means of control (Whitley, 1989). The "making of managers" subsequently became central to economic development, as governments and other economic and regulatory agents accepted the argument that the wealth of societies could be affected by methods of management and levels of management

competence. The notion of management competence has, however, been constructed in many different ways in an attempt to understand what management development and education to underpin economic development should consist of. There is a continuing suspicion that management does not constitute a "real job" and has no easily identifiable objective base (Watson, 1994) and little social or cultural coherence (Reed, 1989).

Management tasks have formed a primary means of analysis in studies that document the practical elements of the job. However, a comprehensive review of empirical evidence found primarily that there is enormous diversity in accounts of what managers do (Hales, 1986). Descriptive analyses of how managerial time is divided, often contrasting the ordered formality of "managerial myth" with the disordered and reactive freneticism of practice, provide little more than empiricist accounts of everyday managerial life. Studies such as those of Mintzberg (1971) or Stewart (1967) provide a comparative analysis of norms and actions (Hales, 1986). Furthermore, such studies are often based around managerial norms that date from the turn of the 20th century (Watson, 1994) and relate to the organization of work in a very specific cultural, industrial, and historical context (Jacques, 1996).

Managers are more than task performers, however. Whitley (1989) argued that generalized, abstracted descriptions of managerial tasks and problems ignore organizational contexts and the structural responsibilities of managers in the establishment, development, and maintenance of firms as economic entities. The organization becomes the basic unit of analysis, and management becomes an activity based on the primacy of shaping internal and external organizational exchanges to the simple end of organizational survival. It has also been noted that both abstraction of the individual and reification of the organization disregard how managers produce and reproduce the prevailing conditions of the structural societal context (Willmott, 1987). The abstraction of managerial work from any of its institutional contexts leaves our understanding of it partial.

However, we can also extend the question of what managerial work is and how it is accomplished beyond the administrative task or the structural contexts to acknowledge the symbolic content of actions, including the roles that norms, values, expectations, and legitimation play (Pfeffer, 1981). In this interpretation of managerial work, the control and definition of the socially constructed reality of organizations is central, and language is fundamental. The management of meaning may express power by reflecting the dominant discourses (such as that of financial measurement) of societal and organizational contexts of work (Gowler & Legge, 1983). The recognition that managers are engaged in the construction of organizational and individual identities through language has provided an understanding of the role of work in

making sense of and providing meaning to lives beyond the organization, which brings a richer, broader view of managers and managerial work. Managers may thus be seen as seeking to give, take, and manage meaning through work and in work organizations.

Managerial tasks, organizational contexts, structural conditions, and symbolic meaning making may then all be incorporated into understanding of managers and management. Management may be alternately (or simultaneously) a technical and administrative activity, a social craft, grounds for ideological conflict, something to be learned, or individuals' identity. As we noted earlier, management development and education is often seen as the key to unlocking improved economic performance in the United Kingdom. In this article, however, we do not approach educational or developmental interventions as variables to be tested in the search for performance improvement "panaceas" (Gill & Whittle, 1992), as has often been done in small business research (Baldwin, Chandler, Le, & Papaililadis, 1994; Storey & Westhead, 1997). Formulating the question of whether management development and education provide a return on investment does not enhance our understanding of the nature and meaning of managerial work in smaller organizations. Indeed, informed and relevant management education and development will be difficult to achieve if this is the dominant perspective through which we seek to understand management (Gibb, 1997). Thus, our analysis focuses on understanding and analyzing the perceived legitimacy of the practice of management and the role of managerial credentials in the construction of those perceptions. In particular, we provide an analysis of the negotiation of managerial legitimacy that supports the argument that a range of identity concerns for both managers and employees mediate the control-resistance dialectic (Ezzamel et al., 2001) that underpins managerial work. We aim to gain some sense of what it means to become a manager in this context, informing the practice of management education and development in smaller organizations through careful, bottom-up research (Curran, 1988).

In the next section of this article, we examine the negotiation of managerial legitimacy in our case companies and subsequently consider the implications of this analysis for the development and education of managers in smaller organizational contexts. The data analysis is presented through three themes that illuminate our research questions: The first focuses on employee perceptions of managerial competence, the second deals with the role of management development in providing managers with a strategic base from which to claim legitimacy and negotiate order, and the third explores the material consequences of attempting to impose managerial legitimacy and authority without social legitimacy.

Data Analysis

The central contention of this article is that the negotiation of managerial legitimacy between line managers and employees is based on two conditions: the abstract (relating to formal managerial competence as indicated by credentials) and the local (relating to technical, contextual, and experiential knowledge). In three data sections, we explore the processes of negotiation within these conditions at Diamondcom, Bodywork, Zincpipe, and Gearbox. We address the question employees asked on a regular basis, which defines and challenges the basis of the managerial authority on which order rests: Who are you to manage me? As Turner (1971) argued, any individual with authority is subject to close examination by those nominally under authority. As we emphasize throughout these sections, resistance to being managed by those seen as not knowing the job was significant in our case organizations, often expressed through humor and banter around the shop floors, perhaps as a means of safe subversion (Rodrigues & Collinson, 1995) through which expressive control of the situation could be momentarily upset (Goffman, 1990). The final data analysis section, however, focuses on the material effects of managerial authority on employees in which we note that the order achieved is often "no laughing matter" (Collinson, 1988) for employees.

MANAGEMENT LEGITIMACY AND EMPLOYEE PERCEPTIONS OF COMPETENCE: "DO YOU KNOW WHAT I'M DOING?"

The negotiation of order in our four case companies rested on establishing the legitimate nature of management as an abstract and individual managers as authoritative agents competent to direct work processes. Employees, however, continually questioned the abstract basis of this negotiation, seeking to incorporate local understandings of competence by emphasizing their own locally acquired expertise. Attempting to impose new working practices without full acknowledgement of the existing social agreements as to production generated significant discontent, as described by a Zincpipe employee as follows:

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

Also apparent here is an acknowledgement of a lack of interaction between the manager and the employees—in effect, there is little visible negotiation as to the organization of work. Management competence for this employee is situated in local knowledge, whereas the manager sought to challenge the notion that competence could be embodied in the practices of “the lads.” Although the shop floor manager is able to impose structural changes in the plant (as the Zincpipe employee recognizes), the new order that is negotiated between managers and employees may be defined by “resistance through distance” (Collinson, 1992). Similarly, an employee at Gearbox expressed exasperation at the lack of managerial closeness to the production process as follows:

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

The employee in this case, although acknowledging the managerial distance, also suggests that by being forced to go “upstairs” and challenge managerial authority, the production outcomes are negotiated and thus resolved. The spatial separation of design and production undermines the efficacy of the process (Palm, 1977). This is in contrast to the situation at Zincpipe, where negotiation around production processes was more between employee and customer than employee and manager, as an employee describes as follows:

[The shopfloor manager] has just started, he's only been here a couple of months, he doesn't realize how long the job takes. Comes out, “Is it not done yet? Is it not done yet?” And you say to him, “No, it takes an hour, at least, to do this job’ . . . They won't come out and ask, “Can we do this?” They'll just say [to the customer], “Oh yeah, we can do it,” and when it comes . . . [we] can't do it. Instead of coming out just for that split second and saying, “Can we do this?”

The shopfloor manager at Zincpipe invoked the notion of the “sovereign consumer” (du Gay & Salaman, 1992) in attempting to control and increase production levels. In this account of employee-manager interaction, what the employee defines as lack of operational competence on the manager's part may be a managerial strategy to increase employee responsibility for production. However, the net result of managerial withdrawal and the construction of customer expectation was, according to the employee, late delivery and lower production quality.

However, employee perceptions of managerial competence were not homogenous. Employees at the two manufacturing companies, Zincpipe and Gearbox, emphasized that they did not expect managers to be able to perform all of the tasks in the company to prove their technical competence (cf., Turner, 1971). Rather, there was an expectation that managers understand the nature of the production processes and do their own jobs to a high standard. Thus, as the following quotes from Zincpipe employees demonstrate, some employees acknowledged the legitimacy of management, not in terms of the local knowledge of production but in terms of authority to manage the organization.

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

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

Especially relevant to this analysis was the recruitment of a new shop floor supervisor at Zincpipe just prior to the research period. The appointment of a friend of the production director stimulated significant verbal dissent. Shop floor employees claimed that he lacked both the technical knowledge to manage production processes and the managerial experience to cope with the machine shop. It was, one employee said, "like putting a captain of a ship in, on a big ship, when all he's done is rowed a rowing boat." In this statement, both legitimacy and authority were contrasted with operational wisdom; the new shop floor supervisor was granted a position of hierarchical power by senior managers, but employees challenged his lack of wisdom at the social level.

Senior managers acknowledged the legitimating role of specific local knowledge. For instance, the owner-manager at Diamondcom talked of the difficulties of "parachuting in" people, whereas a manager at the same company outlined the advantages of negotiating legitimacy through technical expertise in tandem with structural power. According to the owner-manager of Diamondcom,

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

A manager at Diamondcom said,

The respect aspect, if you know what you're doing technically [means that] . . . people do tend to follow the lead rather than be directed. You can advise and direct people if you've got a strong technical background. [and] they will listen . . . because most of the time, you've seen the problems before.

This legitimating effect of technical expertise was also recognized by the new shop floor supervisor at Diamondcom, who said that the "people side of it [management] is very important. They [shop floor employees] have got all the technical expertise and I haven't, so I rely on them heavily."

At Bodywork, employees told of how, just prior to the research period, a series of professional, credentialized managers without operational knowledge had rapidly come and gone. Finally, a manager was appointed who had detailed experiential knowledge of Bodywork's operational sector. This expertise was presented by both the owner-manager and the manager himself as key to negotiating an order in the workplace that enabled both exemplary leadership and tight control.

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

Thus, we would suggest that managers and employees alike recognize the importance of locally constituted competence in the process of negotiating organized order. If managers seek to exercise authority without it, employees will begin to question the managerial authority of the individual. However, this shared recognition of the role and importance of competence based on local knowledge does not suggest that managerial legitimacy and authority are socially constructed by managers and employees through an equal process. Managers, as we explore in more detail below, continue to hold (and make use of) a stronger position within negotiations.

In sum, we would suggest that for employees at our four case study companies, and particularly the engineering companies Zincpipe and Gearbox, three aspects of employee-management relations emerged as central aspects of the negotiation of order necessary for productive work. First and most basically, employees frequently questioned the need for managerial control of production work beyond provision of administrative support and customers for the product. In this, skilled operators expressed confidence in their abilities to work flexibly and meet deadlines without close and direct mana-

gerial control (cf., Ezzamel et al., 2001) and argued that managers should concentrate on "the clerical side."

Second, employees also questioned the need for supervisors and line managers with external credentials. Legitimizers such as degrees and certificates from management development courses were not perceived to be useful in directing or even understanding the production processes for which managers were given responsibility. Employees did not value educational credentials and knowledge of modern managerial techniques (such as kaizen, a favorite of the shop floor supervisor at Zincpipe).

Third, the role of line managers in mediating relations between employees and capital holders came into question. We would suggest that if the negotiation of managerial legitimacy is questioned at so fundamental a level, it is unlikely to be concluded in an ordered pattern, as the structural conditions of the workplace are in question and the managerial prerogative is under challenge. This can be seen in the arrival and departure of a series of "inexperienced" managers at Bodywork, where employees and the owner-manager became unhappy with the lack of operational knowledge of the recruits.

From this, we would suggest that line management legitimacy and authority can be seen as constituted through a process of negotiation between managers and employees. If employees perceive the line managers to be technically competent, then there may be a more ready acceptance of them as managers. If managers are perceived to lack knowledge of the productive processes, conflict—as a result of unmet expectations of what is legitimate in the relations between managers and employees—may be generated by managerial intervention in the production process. Agreement to being managed and a shared understanding of the managerial role were not being achieved at Zincpipe and Gearbox, and resistance to managers with limited experience of the operations of Diamondcom and Bodywork had encouraged high turnover, with the eventual recruitment of "industry insiders"—competent employees and managers in one. As our further analysis in the second section indicates, the level of formal management qualification was not a central issue in assessments of managerial competence, except as an indicator that a manager might be qualified on paper yet remain incompetent (or nonlegitimate). Yet, management education and development was practiced in all four case study organizations. It is to this role in constructing managerial legitimacy that we now turn.

BECOMING A MANAGER: EDUCATION AND DEVELOPMENT

The distinction between employee and manager has so far been clearly drawn. In this section, these lines are less clear as we examine more closely

how managers and potential managers perceive the utility of management development. Some employees in our four case study firms were thus in the process of becoming managers, in part through participation in management education and development. In Bodywork, more than 10 employees (one fifth of the total workforce) had been or were going through short courses with Dale Carnegie Leadership Training, with the goal of moving into more managerial roles. Many of the managers already in position had been or were involved in some form of management development or education: The productions manager at Zincpipe held an MBA from a prestigious English business school and encouraged managerial staff to attend short management development courses; the shop floor manager at Gearbox was in the process of completing a postgraduate diploma in management studies funded by an employer's federation, and several line managers there were attending short management development courses; and department managers and supervisors at Diamondcom were attending a series of management development courses related to personnel management.

The courses attended were not perceived by the participants as particularly helpful in terms of providing new knowledge and techniques but were seen more as a rite of passage into a managerial role and identity (Holman & Hall, 1996). However, to take a purely symbolic perspective on these courses would be to deny both practical utility and to neglect the material effects on the work groups within which the manager is constituted. Course participants were sometimes not yet in management positions, as at Bodywork, where employees attended courses in the expectation that they would move into more managerial or supervisory positions. Attendance at management development courses could be seen as part of a rhetoric of training, "in part to foster the impression that the licensed practitioner is someone who has been reconstituted by his learning experience and is now set apart from other men" (Goffman, 1990, p. 55). This dynamic of credentializing (Collins, 1979) also enabled managers to present previously unreasonable actions as legitimate to themselves and employees. A department manager at Diamondcom saw the course she had recently completed as providing legitimacy to actions and attitudes already in use:

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

Those being developed as the managers of the future judged themselves and their current managers when speculating on how they would manage. Many spoke of learning from watching and of the experiential learning process that takes place in the everyday reality of being managed. Management was learned from colleagues (Bryman, 1986), superiors, subordinates, and others.

For many, this was put forward as the key learning process in acquiring knowledge in the management of people and as a more difficult road to travel than that of formal qualification. According to a manager at Bodywork,

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

Managers in our case study companies prioritized experiential and informal learning and knowledge in a similar way to employees in the technical environment. This implies that in making and maintaining managers and managerial identity, there are multiple and complex contexts of negotiation. Employees judge on technical and managerial competence or in relation to how they would manage or would like to be managed; managers pick and choose styles and techniques from experience and courses as well as take from the experience of being managed. Ultimately, however, questions of where expertise and style originated may be subordinated to the productive function of the organization through an appeal to objectivity and professionalism, as a Bodywork employee noted,

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

PAYING FOR LABOR: MANAGERIAL AUTHORITY AND EMPLOYEE EXPERTISE

Applying a negotiated order perspective to the construction of managerial competence provides us with one final analytical theme: the material effects of the order achieved. The particular power relations of hierarchically structured work organizations mean that not all of the participants involved in the processes of negotiating order are able to shape the process and outcomes equally. In short, some of the actors in our case organizations are able to call on greater resources in negotiating order than others.

This dynamic is particularly evident if we examine payment levels and structures, part of the disciplinary, bureaucratic form of control system often implemented when entrepreneurial control is no longer feasible (Edwards, 1979). Payment for labor is the central dynamic of contemporary work organization and management and a key area of conflict between managers and managed (Pettigrew, 1985). It has been argued that most payment system theories neglect the “social soil” of organizational implementation, preferring instead to emphasize raised production levels or other positive effects of new systems (Bell, 2001; Bowey & Thorpe, 1986). In this section, we explore payment systems and levels as an aspect of the negotiation of social order in our case companies, arguing that resistance in particular, and unsurprisingly, was strongly expressed by employees in relation to payment systems where managerial legitimacy was perceived to be lacking.

In all of our case study companies, payment levels were explicitly linked to training and certification of skills for employees and brought conflict to the center of the negotiation process in maintaining order within the organizations. An employee and union representative in Gearbox, for instance, outlined how managers defined skills levels according to completion of formal training rather than recognizing employee actions, as follows:

What these two young lads have done is they've picked up the job, they can do the job, but management won't pay them the skilled money—they haven't had the thingie [training], so we said, “Well, let's do the training, let's sort the training out and get the formal thing done.” They can do the job, but they had to be fully trained people.

Again, employee perception of competence can be seen to rest on an informal, experiential understanding of legitimacy. Employees were asked to work flexibly at Gearbox, moving from workstation to workstation, picking up the skills to perform tasks from colleagues. Although these methods of training and working, common to smaller organizations, are often represented as being very functionally effective and efficient, the lack of credentialization has clear repercussions for employees. Lower levels of pay and lack of individual mobility were the two most common outcomes of this method of training for employees in our case organizations.

Thus, employees were equally conscious that training was a legitimizing resource for them as individuals as well as for managers. In the case companies, many spoke of the need for “something on your CV” as an externally validated proof that you possess a skill with an exchange value outside the organization and in case of a new management team arriving. According to a Zincipipe employee,

If you had formal training, you'd have something there to prove. "Yes, I have done it." If there's ever another takeover, it's just going by mouth, and what they've heard from management before.

This was brought to the fore at Zincpipe, where the arrival of the new shop floor supervisor with a brief to reform the old payment system brought issues regarding employee training, payment levels and system, and the negotiation of management competence and legitimacy together. According to one employee,

All he actually did was come 'round with a sheet of jobs and say, "can you do this? Yes—OK. Can you do this?" And that's it—now that to me is no way to treat somebody's skills, on a piece of paper. We had one lad who was down here in the stores for 2 weeks while I was on holiday, and he put down on his sheet that he's a trained storeman. He doesn't have a bloody clue, he just signed the stuff off the back of a wagon.

At Zincpipe, conflict over this commodification of employee skill was often expressed through humor. Managers crossing the shop floor would be told to go and do something useful or that the shop floor employees paid their wages; in response, managers characterized shop floor work as suitable for a monkey (cf., Nichols & Beynon, 1977, where *donkey work* is the managerial term for production work). However, employees at Zincpipe and Gearbox, despite taking pleasure from these humorous means of resisting managerial control, had little influence over the structural conditions of their work (Collinson, 1988; Nichols & Beynon, 1977). Zincpipe is not a unionized company; Gearbox managers often emphasized that production need not be located in the United Kingdom and could go elsewhere. Despite employee doubts as to the ability of individual managers to judge their competence and frustrations as to the informal nature of training and its linkage to payment levels, little could be achieved at a practical level. Employees were able to question the managerial prerogative only indirectly through casting doubt on the operational competence of individuals and through humor. Managers, however, retained everyday authority over resources and resource use, including payment levels, which individual employees could not challenge or alter the base of negotiations.

Discussion: Situating the Negotiation of Legitimacy

In this article, we have sought to provide a situated analysis of management education and development in smaller organizations through exploring

the notion of legitimacy rather than the more usual account of how to achieve growth through enhancement of management skills (Marshall, Alderman, Wong, & Thwaites, 1995). Through analysis of managerial and employee perceptions of competence and the legitimizing resource of more formalized training, we aim to understand how managerial legitimacy is negotiated in our case companies. We have also outlined how managers can construct a "strategic base" (Van Maanen & Schein, 1979) of legitimacy and authority during the negotiation of organizational order. In our case companies, line and senior managers were asked to negotiate a strategic base with reference to both the knowledge content of their own job role and the cultural expectations of the organizational group to be managed. We have thus concentrated on perceptions of managerial competence as a legitimation resource or as a way of managing meaning (Gowler & Legge, 1983; Pfeffer, 1981) within organizations, in part through conformity to a discourse of management competence as part of a "rhetoric of training" (Goffman, 1990).

We have also, however, emphasized that there are significant material effects for employees as a result of these processes. Our analysis indicates how employees question managerial judgments of their competence based on perceptions of managerial competence in technical or operational contexts. Employees used technical (in)competence as a means of influencing the basis of the negotiation of order and subverting managerial authority and as a form of distancing from assumed managerial authority (Collinson, 1992). Those managed in our four case organizations showed a clear preference for managers with experiential knowledge of the production systems (whether services or manufacturing), and the managers interviewed saw operational experience as a means of gaining respect from subordinates, thereby facilitating the direction of work processes.

Equally, managers also sought to maintain distance from employees through a similar mix of experiential and operational competence and formal training. Thus, we find that both managers and employees use rhetorics of competence to legitimate their orientation to the other. Paradoxically, neither managers nor employees reject or totally embrace formal training and development, as both prefer to marshal their perceptions to consolidate their identities as managers and employees.

From this, we would suggest that competence in (or familiarity with) the abstract systems of management presented in management development and education needs to be complemented with recognition that employees existentially value (Ezzamel et al., 2001) working practices and experiential competence. Managers thus negotiate legitimacy and authority through reference to technical competence and by drawing on cultural credibility. The managers and prospective managers we interviewed found that the knowl-

edge base (Van Maanen & Schein, 1979) of their jobs was, in reality, at least bipartite. The definition of technical competence went beyond the managerial tasks they had to perform and into the operational processes of the employees. However, the other side of this is the expectation that both managers and employees need to be locally competent and to have global competence in the current institutional arrangement (DiMaggio & Powell, 1991) in which credentials are central to career construction (Collins, 1979). The legitimation of individuals and their skills through development and education offers inclusion in a society that emphasizes the notion of expertise as primarily structurally transferred and signified (Kondo, 1990). We would suggest from this that although management education and development can supply the long-term structural base for the negotiation of order, the cultural surroundings (to be technically competent and socially credible) form the central process in the everyday negotiation of management competence.

Conclusions

As we imply throughout this article, management can be seen as a “blur of conflict, cooperation and compromise” (Dalton, 1959, p. 146) within which education and development are in a complex relation to situated managerial competence. To further explore these dynamics in the context of four smaller organizations, we have sought to apply a negotiated order perspective on the everyday experiences of managers and employees in the companies. As Currie (1999) noted, a series of recent studies in the United Kingdom (Barrett & McMahon, 1990; Holman & Hall, 1996; Pettigrew, Ferlie, & McKee, 1992) have emphasized the potential that a negotiated-order perspective has in enabling understanding of managerial roles and responsibilities. The perspective offers an alternative to rationalist, top-down analyses; brings the social negotiation of consensus to the fore rather than reifying the imposition of authority; enables us to explore the legitimacy of actions; and allows us to see learning as a socially negotiated practice happening within a community. Currie (1999) questioned the imposition of generic management principles in a health care context with a fragile negotiated cultural order, and he noted that the failure of managerial initiatives in this context can be traced to lack of legitimacy. In this article, we have sought to analyze management education and development in smaller organizations from within this perspective. However, our analysis is also sensitive to issues of subjectivity that shape employee response to managerial initiatives (Ezzamel et al., 2001; Knights & McCabe, 1998), and in particular, to the assumption of managerial authority in the absence of negotiated legitimacy.

Across our four case study companies, the legitimacy of middle and line managers was a highly contested area. Shop floor employees at Zincpipe and Gearbox questioned the ability of “them upstairs” to perform even the most basic operational engineering tasks and outlined the effect this could have on expectations of work rate. The ability of managers to judge the technical competence of employees was also widely questioned, particularly when such a judgment resulted in the setting of employees’ pay levels. In both of these situations, the negotiation of social order could be seen to break down, with the result that managers are perceived as exercising authority without either technical (local) or managerial (abstract) legitimacy. Structural indicators of managerial competence (such as qualifications from a business school or management development courses) did not provide an unquestionable local legitimacy.

In sum, then, we would suggest that our analysis illustrates a number of key issues underpinning the negotiation of managerial competence and the material effects of the negotiations within asymmetrical power relations in the organizations. First, it is clear that employees are far from passive in the process of defining managerial authority. As Gabriel (1999) has argued, it may be premature to mourn the demise of employee opposition or recalcitrance to managerial control and authority. Employees in the four organizations we researched were certainly able to construct spaces and dialogues within which managerial legitimacy could be questioned. This supports the emerging recognition that employee resistance can be manifest through identity work in tandem with operational opposition to managerial authority.

Second, we have argued that the negotiation of order takes place at multiple levels and is multidirectional. Employees required managers to provide evidence of competence both in relation to managerial tasks and in the operational or production context. A lack of credibility at the operational level had a significant impact on the negotiation of managerial legitimacy, and this in turn had an effect on the reception of changes in administrative mechanisms such as payment systems. Again, this supports the argument that the negotiation of legitimacy is iterative and situated rather than an issue that can be settled by the production of credentialed managers through education or development.

Third, according to norms and values beyond the boundaries of management development and education, we have outlined how managerial legitimacy can be judged on an everyday basis by those being managed. As in our cases, managers may acquire a structural legitimacy through following business school education courses or privately run development workshops. Neither of these, however, featured prominently during the negotiation of order

around managerial actions except as negative indicators of competence. Employees often mentioned degrees and paper qualifications to contrast the knowledge that they brought with local, experiential knowledge of production or the social context. Thus, managerial credentials could be used by employees to emphasize a lack of engagement with the technical and social realities of production. A lack of managerial legitimacy could in turn confer illegitimacy on a system introduced, particularly in relation to payment levels or the linkage of payment to skill levels. Finally, we would argue that our analysis takes us beyond a view of management education and development as a finite process limited to the period and place of study and demonstrated through possession of a certificate. The ongoing negotiation between organizational participants illustrated throughout this article, centering on issues of legitimacy and authority, helps to demonstrate that management development and education are iterative, socially located, organizational processes.

Notes

1. Throughout this article, we refer to smaller organizations to avoid the size determinism of much research in such companies. The number and variety of terms in use, such as *small firms*, *small- and medium-sized firms*, *mid-corporate companies*, or *Mittelstand firms*, indicates the difficulties of definition in seeking to treat smaller organizations as a stable set of homogeneous entities. We employ the term *smaller organization* simply to differentiate our data collection sites from the large corporate organization, employing thousands over many sites and countries. However, this is not suggested to be a robust category (Curran & Stanworth, 1979). The number of employees and managers remains a conditioning influence on the actions, meanings, and understandings within the four companies, but we see the organizational context as culturally conditioning rather than structurally determinist.

2. In this article, we follow the common distinction made between management development (noncertificated) and management education (certificated) but treat them as points on a continuum rather than as separate. We are not implying that the two are interchangeable, but levels of participation in smaller organizations in management education are generally recognized to be lower than in large companies. In this context, the negotiation of order in our case study companies involved perceptions of managerial education and development as aspects of one idea, and we thus treat them as such within this article.

3. These names are all pseudonyms, as are all of the personal names used throughout the article, to ensure anonymity for the individuals and companies involved. See Taylor (2001) for details of the broader research project on which this article draws.

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