Understanding human resource management legitimation strategies

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Introduction

How do HR practitioners maintain their legitimacy in the face of changing organisational priorities and agendas? In this brief article I draw on a recent research project which specifically examined the issue of human resource management legitimacy. HR is unlike other functions such as accounting or finance, whose importance to an organisation is underscored by legal requirements and conventions, or sales or operations functions, whose place in the value-chain is taken for granted. HR managers, by contrast, must rely on the ongoing support of other constituencies to demonstrate their worth as a service function (Galang *et al.*1999). For example, although employment laws can shape people management practices, organisations do not need a HR department, or HR professionals, in order to comply with these laws.

Human resource management departments also differ from many other functional sub-units in that their perceived purpose, at least at one level, includes a putative responsibility for the well-being of employees. The HRM sphere is for many the locus of people-related concerns within an organisation (Bolton and Houlihan 2007; Winstanley and Woodall 2000), and HR managers have a 'special professional responsibility' (Kochan 2004) in this regard. Yet if HR departments are not considered *legitimate* within organisations, then it does not matter whether their proposed strategies and practices are human-centred or not.

For an HR department, legitimacy implies that its existence and actions are both valued and considered valid by its various constituencies. For human resource managers in an organisational setting the constituencies that 'count' as far as legitimacy is concerned include those that can hinder or assist them in the attainment of their goals; such as the senior executives and line managers on whose resources, patronage and support they rely in

carrying out their function. In day to day organisational life, however, multiple agendas and multiple interests mean that the legitimacy status of HR departments is not secure.

Legitimacy has regulative, normative and cognitive sources (Scott 2001). Regulative legitimacy is tied to the political and legal rules and sanctions that govern the survival or otherwise of a social entity. Within organisations, for example, the quasi-legal status accorded to accounting functions draws on their regulative legitimacy. Cognitive legitimacy relates to the degree to which a department's actions, and the logics underpinning them, make sense, and eventually become a 'taken for granted' part of organisational life. Institutional logics – the organising principles that inform social action in a particular contextual setting (Friedland and Alford 1991) – are drawn on to differing degrees to reinforce or undermine cognitive legitimacy. Market logics, for example, underscore the cognitive legitimacy of finance professionals in firms; they have become a taken-for-granted part of organisational life. Normative legitimacy relates to the degree to which a function like HRM would be considered valuable and 'right' in terms of wider social values and norms. The way constituencies act to attribute or deny legitimacy is hence guided by their values and beliefs as well as the way they make sense of their situation.

An understanding of these dimensions of legitimacy becomes important when we consider how legitimacy status might change over time. In the case of the HR function, there are few regulatory bases for legitimacy, so the focus must be on cognitive and normative sources. The prevailing logics, values and structures underpinning legitimacy assessments, while relatively stable, are nonetheless subject to change, as are the nature and interests of the constituencies bestowing legitimacy. Furthermore, in any given situation, particular logics of action will predominate, both shaping and reflecting organisational action (Thornton and Ocasio 2008) and the relative legitimacy of organisational actors.

Legitimacy needs to be understood as a processual and dynamic set of conditions which have a political and institutional basis. In an uncertain global economic environment, where short-term market logics and their associated cost-cutting behaviours continue to prevail, HRM may be seen as an 'optional extra' and the legitimacy of HR departments threatened. But must human resource managers be passive respondents to these logics, or can they take active steps to maintain the legitimacy of their profession and their projects? In order to answer these questions, we need to examine the strategies actually adopted by HR practitioners in seeking legitimacy in their own organisational contexts.

In investigating this question, I was able to join a group of corporate human resource managers in a large global airline as they struggled to maintain the legitimacy of their department and their program to 'humanise' line management practices, in the course of a particularly tumultuous year. The research project stemmed from a long-standing interest in how human resource managers find space for agency when institutional logics of the market predominate. Through ethnographic observation as well as formal and informal interviews with a range of airline employees and managers, I was able to examine legitimation processes embedded in an organisational setting.

This airline was seen by HR professional associations as exemplifying so-called 'best practice' human resource management. Nevertheless, over a period of fourteen months, these HR managers faced a range of difficulties common to many human resource practitioners, ranging from budget cuts to downsizing. I was able to track the unanticipated erosion of the legitimacy of what had been a robust and well-regarded corporate HR sub-

unit, along with their efforts to regain their legitimacy. These efforts centred on a quest for the endorsement and adoption of their major strategic initiative, a management development strategy that they hoped would temper employment relationships and change the management culture across the firm.

The airline at the centre of the study had gained success through a competitive strategy based on service and engineering excellence, underpinned by 'high commitment' HR practices that emphasised the development of a skilled and committed workforce. As long as this strategic direction was dominant, the legitimacy of the HR function had been secure, and human resource managers within the company had been involved in a wide range of strategic activities. Their sense of being valid and valued was, however, to change with the appointment of a new CEO early in the study.

The new CEO insisted that his own brand of hard-headed leadership was required to confront the 'challenges' the firm faced in 'extraordinary times' and to 'protect' the airline from competition, all of which promoted a heightened sense of anxiety about the future of the firm. His communicative actions consistently overrode the existing taken-for-granted assumptions about the airline and its competitive position, creating a sense of 'moral necessity' (DiMaggio 1997:279) for the CEO's subsequent decisions. Coinciding with this enacted sense of moral necessity was a closing off of alternative frames of meaning that might have suggested an alternative reality – that the airline was in fact in strong shape.

Thus the dominant logic of action changed from 'high commitment' to one of 'survival' through cost reduction, in an industry and regulatory environment framed as hostile and uncertain. A set of logics, centred on labour cost-reduction as an 'inevitable' consequence of these external circumstances, was promoted in such a way that discussion of alternatives became proscribed. The need to lower costs, and hence adopt a 'tougher stand on unions', was expressed in a series of actions which signalled a change in the way people were to be managed, commencing with a major downsizing exercise within a month of the new CEO's appointment. This cost-cutting agenda became, in turn, a key contingent feature of the HR department's own inner operating context, one in which there was, as one HR manager put it: "no rhyme or reason".

The HR managers initially (and incorrectly) assumed that a people-centred management style, congruent with the logics and values associated with the previous CEO, would be supported by the new CEO and other senior executives. Their approach to securing legitimacy involved tapping into the people-centred logics and values associated with the airline in its recent past. For example, they compiled a series of documents drawing attention to their past successes in 'managing talent', and 'maintaining service excellence', assuming that their skills and perspectives could and should make an important contribution to the reworking of the business. They expected the CEO to remain 'far sighted' and 'strategic', but instead had to come to terms with the fact that a new logic of short-term crisis-management prevailed.

In responding to this changing context, the HR managers formed an alliance with a similarly threatened group of marketing managers, and together they constructed a financially-framed business case for their core work projects, using management consultants to calculate tangible outcomes and construct 'hard numbers' for their strategies so that they could engage with the emergent logics of the market. This legitimation strategy had some success,

but was eventually undermined by further cost-cutting decisions that marginalised HRM considerations, prompting a Corporate HR team leader to observe:

> *"There's not one ounce of strategy in all this. It's all reactive…There hasn't been a single decision made that's beyond the next three months…Forget about vision, forget about anything like that. It's pull out all stops for the profit announcement."*

This new dominant logic evolved from, and reproduced, a competing set of meanings which left little space for people- or service-centred logics. The HR managers eventually recognised the competing nature of these logics as they came to understand why their efforts to introduce new strategies and practices were no longer effective. However, they did not choose to fully 'adapt' to the normative and cognitive constraints − in the sense of changing their values or definitions of who they were or what they did. The realisation that the new regime presented a threat to their legitimacy within the organisation – explained by one senior HR manager as "no one talks about customers, unless it's in the context of money, and no one's interested in people" – led the airline's corporate HR managers to move to a different set of constituencies in their quest for legitimacy. Within the large and diverse organisation, they found business unit line managers and executives within the engineering, sales and flight services divisions who remained attached to alternative (and earlier) logics, values and norms relating to people, service and safety. The corporate HR department had, in the past, been responsible for the successful introduction of HR initiatives such as EEO strategies and supervisor development programs into these business units, and these past successes underscored their worth as a function in the eyes of the line managers.

The corporate HR managers had sensed that the logics and values underpinning the airline's exemplary service and safety record were shared by these business unit constituencies. These line managers had also seen that the CEO's labour cost-cutting strategies resulted in what one engineering development manager described as a "no-trust, authoritarian style. There's none of what I think is important in outcomes. Things like trust, engagement, communication". The logics and values favoured by the business unit constituencies acknowledged the importance of 'people skills' to the airline's competitive success, perhaps because these same managers were directly dealing with the effects of the CEO's labour cost-cutting, and viewed it as damaging to the longer-term interests of the airline. Importantly, there was also some certainty in the HR managers' relationships with these other departments, based on the corporate HR department's prior track-record. The HR managers also drew on their strong sense of the professional norms associated with HR practice in their justifications to each other and to their constituencies. By acting in this way, the HR managers were able to regain their legitimacy as a functional sub-unit and ensure their major strategic initiatives remained intact in the face of ongoing cost-cutting.

As time went on, the fundamental disconnect between the increasingly dominant logics and values of the market, and the professional (or personal) values and logics of the corporate HR managers became more apparent to them, and this reflexive awareness enabled them to alter their legitimation strategies. By the end of the study, the human resource actors in the airline were able to re-form and regain the legitimacy of their sub-unit and of their major strategic initiatives by drawing on their stock of political relationships and on the plurality of logics, values and norms available within the large, diverse firm.

Conclusion

What can this study tell us about HRM legitimation strategies? The constraining contexts faced by the HR managers in this case were not unusual. HR practitioners, like all organisational actors, need to understand the antecedent elements of their legitimacy status if they wish to attain or maintain legitimacy in the face of changing organisational contexts. At a practical level, HR professionals can find ways of maintaining legitimacy, for example by cultivating internal 'strategic alliances', and seeking political support in places where there may be sympathetic values or logics of action, or by 'managing meaning' through the reframing of human-centred considerations in terms of the logics of the markets, specifically calculating projected cost savings or revenue improvements that could be linked to human resource initiatives.

With the global economic environment providing additional cognitive and normative resources for executives seeking to exploit employment relationships, the need for HR managers to accept responsibility for employee wellbeing has arguably been intensified. Certainly, human resource decisions have, as Margolis *et al.* (2007:237) note, "the potential to change, shape, redirect and fundamentally alter the course of other people's lives", for better or for worse. In many organisations, the human resources function can provide a space, often the sole space, where the rights and interests of employees might be represented (Lowry 2006). So if HR managers are seeking to embrace their 'special professional responsibility' and 'humanise' workplaces, they are encouraged to seek out, and tap into, alternative sources of legitimacy, and alternative constituencies. While the dominant logics and organisational contexts may challenge the legitimacy of HR departments, they are never the *sole* drivers of organisational action. There is always some capacity for action in pursuit of legitimacy and other goals, due to the plurality of logics and values that exist within organisations.

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