

# Strategic Human Resource Management in a Knowledge Intensive Context



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## Master's Thesis

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# Abstract

**Title:** Strategic Human Resource Management in a Knowledge Intensive Context

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**Keywords:** Strategic Human Resource Management, Knowledge Work, Engineering Work, Culture, Identity, Companies in a Knowledge Intensive Context, Bureaucracy, Context Duality, Professional Culture

**Thesis Purpose:** The purpose of our research is to create both theoretical and practical insights into the overall fit of Strategic Human Resource Management (SHRM) in companies in knowledge intensive contexts.

**Methodology:** This research was conducted from a social constructionist, interpretive perspective with qualitative research methods.

**Research Questions:** 1) "What is the role of SHRM in enabling knowledge work in CIKICs?" 2) "What is the interconnection between the knowledge intensive context in CIKICs, their culture and the identity of the employees?"

**Theoretical Perspective:** Existing literature on Knowledge Intensive Firms, Knowledge Workers, Engineering Work and SHRM is examined and interconnected as well as literature on identity and culture, providing a theoretical basic for our research.

**Empirical Foundation:** The empirical basis for this research was an interpretative study of a company in a knowledge intensive context (CIKIC). Triangulation of different sources was employed, while interviews provided the main empirical basis.

**Main Findings:** HRM must understand the knowledge worker's identity in order to enable knowledge work and with it the overall organizational effectiveness of a company to be perceived as strategic. Moreover, in the case of CIKICs, knowledge work should be balanced with the main operational focus. Consequently, bureaucracy in CIKICs may be beneficial to knowledge work by providing structures.

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## **CHAPTER 1: INTRODUCTION**

Since our society is moving into an era in which knowledge becomes the determining factor for organizational success, the employees - as the facilitators of knowledge - become increasingly important (Drucker, 1993). Interpreting how Strategic Human Resource Management (SHRM) practices can support knowledge work will thus become increasingly relevant for organizations to compete. Especially in companies that might not primarily be seen as knowledge intensive firms, identifying knowledge intensiveness and finding the right means of managing it, will be a challenge.

From a HRM perspective, knowledge workers require some special considerations, as they indulge a high degree of autonomy within their field of work and have a high labor market power. The demand for this type of worker usually exceeds their supply (Newell, 2002). In addition, knowledge workers commonly have high demands on their employers such as being assigned to interesting tasks and good career development opportunities. They do, however, not possess 'strategic autonomy' in goal setting but are limited to 'operational autonomy' within their prescribed goals (Bailyn, 1986; Newell, 2002).

Although a universally accepted definition of knowledge workers has yet to be agreed upon, they are commonly characterized by bringing their mental capacities, usually based on academic education, which equips them with esoteric skills as their main asset into companies (Newell, 2009). Organizations that are based on work executed by knowledge workers are called knowledge intensive firms (KIFs). This description usually fits to research & development (R&D) firms as well as professional service firms (PSFs) such as management consultancies or law firms.

Similar to knowledge work and knowledge workers there is no universally agreed upon definition of KIFs as there can be significant differences of the knowledge intensiveness between companies and even between departments. Companies that are not entirely based on knowledge work, such as pharmaceutical companies that have a manufacturing and - or - sales division, might have so called 'knowledge intensive units' (Alvesson, 2004). Wallace (1995) argues that company parts, units or working groups filled with knowledge workers often carry characteristics similar to those of companies that are dominated by their profession rather than the characteristic of their actual company.

Today, even manufacturing-based companies are forced to seek competitive advantage through more innovative sources such as knowledge work and more SHRM, for the technological differences between manufacturing companies are diminishing (Sparrow, Schuler, & Jackson, 1994). Therefore, the purpose of our research is to create both theoretical and practical insights into the overall meaning of SHRM in companies that do not fall under the classical definition of KIFs but that exhibit certain aspects of them like employing an amount of knowledge workers and being dependent on their contribution to the business. For definition purposes we shall introduce the term 'companies in a knowledge intensive context' (CIKICs) to label this sort of companies. For our thesis, companies that fall under this category are defined by having the focus of their business outside of the creation, facilitation or direct sale of knowledge but - for example - on manufacturing. However, they employ an amount of knowledge workers engaging in knowledge work without which they would most likely not 'survive' as they, for instance, equip the companies' products with innovations on which they stay competitive in the market.

We distinguish CIKICs from classical KIFs by not being focused on the creation, facilitation, or direct sale of knowledge, and from classical non-KIFs by still being highly dependent on internal knowledge workers to 'survive'. Furthermore, we distinguish this type of organizations from companies with knowledge intensive units (Alvesson, 2004) by having their inert knowledge work not in form of a support function, such as a legal department, but directly focused on their core business, giving it an overall knowledge intensive context rather than knowledge intensive sub-units. The reason why we use the expression 'knowledge intensive context' derives from recognizing that not all work within these companies - such as manufacturing or marketing - may be considered classical knowledge work. Their content, however, is related to the knowledge intensive aspects within the company. For manufacturing that would be bringing the knowledge intensiveness of a company to life in form of the goods they produce and for marketing to promote the knowledge intensiveness in the products.

The reason why our topic is worth studying is vested in connecting two of the major trends in contemporary organizational management, SHRM and knowledge work. Interpreting how SHRM practices can support knowledge work in CIKICs and the potential consequences thereof will thus be crucial for organizations to compete in this environment. Especially for companies that might not primarily be seen as knowledge intensive firms - but as what we

label CIKICs - identifying knowledge intensives and finding the right means of managing it will be a challenge for SHRM. Therefore we formulate our guiding question as:

*"What is the role of SHRM in enabling knowledge work in CIKICs?"*

Furthermore, the importance of company culture and identity in managing KIFs has been highlighted in the existing literature (i.e. Alvesson, 2004 & Merilainen et al., 2004). While an open company culture that promotes intra-organizational communication has been linked to higher levels of knowledge exchange (Newell, 2009), the lack of it can lead to 'stickiness of knowledge' (Newell, 2009; Blackman & Benson, 2012) and hamper innovation work, on which KIFs are dependent (Starbuck, 1992; Alvesson, 2004). Given our definition of CIKICs featuring knowledge workers as well as non-knowledge workers for whom the exchange of knowledge may not be as crucial, we shall relate the role of culture to SHRM work within CIKICs to gain insight into how SHRM can enable knowledge work. Moreover, the identity of knowledge workers in CIKICs is assessed in our study as it informs how they perceive reality (Alvesson, 2004) and thus, what they consider to be strategic, or in other words, aimed at improving company performance (Ulrich, 1998) in HR work. Accordingly, our second guiding question is:

*"What is the interconnection between the knowledge intensive context in CIKICs, their culture and the identity of the employees?"*

## **Introduction to our Research Site**

For our research site we looked for a company that fulfills the requirements of employing knowledge workers that are crucial to their performance whereas not being operatively focused on the creation, facilitation or sale of knowledge. Therefore we chose the Swedish company Beta (name changed) as our research site.

Founded in the 1880s and based in the south of Sweden, Beta supplies a global market with heat exchangers, fluid separators, pumps and industrial boilers. Its core businesses are the food, manufacturing, pharmaceutical and chemical industries. Worldwide, the company sells products from its production units which are mainly located in Europe and Asia, in about a hundred different countries. Beta employs close to 15,000 people and has exhibited continuous growth over the past years. Next to its three divisions (heat transfer, separation and fluid handling), in which they are market leading, Beta has been paying growing attention



to aftermarket services, providing customers with instructions, consultation, service and emergency troubleshoot agreements, which make up a quarter of its yearly intake.

Furthermore, Beta's research and development focus plays an important role in the company, which has recently been awarded with the Thomas Reuters award for being among the top 100 global innovators. The innovation focus is also reflected in the 400 patents which the company owns and the 35 to 40 new products it launches per year. The reason for us to choose Beta was based on its nature which we perceived as being a 'company in a knowledge intensive context' since it is a manufacturing company but also exhibits characteristics of a KIF, for example in engineering work which has a strong innovation focus. Our research itself mainly took place at the location of the company's headquarters in the south of Sweden, which features a production unit for heat exchangers. One interview took place at the company's branch in Copenhagen, Denmark and another one via Skype with the office in Stockholm, Sweden.

### **Thesis Outline**

Our thesis continues by addressing methodological as well as methodical considerations for our research in chapter two. In chapter three, existing literature on the topics of SHRM, knowledge work, knowledge intensive firms (KIFs), identity and culture are introduced in order to create theoretical frame for our research. Subsequently, our obtained empirical data is presented in chapter four. Following this further, our empirical data is assessed on its theoretical as well as practical testimonies in chapter five. Finally, chapter six concludes and summarizes our main findings and offers suggestions for further research.

## **CHAPTER 2: METHODS AND METHODOLOGY**

This chapter informs about the methods and methodology we used in our research. We start by explaining the ontological and epistemological frameworks of our research approach. Next, we introduce both the data collection and the data analysis procedures. Moreover, the issues of credibility, validity and reflexivity are addressed and further discussed.

### **Ontological and Epistemological Framework**

Methodology, defined as “a combination of techniques used to enquire into a specific situation” (Easterby-Smith et al., 2008: 60) is characterized by ontological and epistemological reflections, while method is „a particular procedure of achieving something“ by definition (Oxforddictionaries.com, 2013). There are numerous methodologies ranging from positivism to social constructionism, suggesting ways in which social science research such as ours should be conducted (Easterby-Smith et al., 2008).

The social constructionist methodology which we adopt for this thesis implies a certain view on ontological, or “philosophical assumptions about the nature of reality” (Easterby-Smith et al., 2008: 60) and epistemological, “general set of assumptions about the best ways of inquiring into the nature of the world”, issues (Easterby-Smith et al., 2008: 60). As Guba and Lincoln (1994) point out, it is not possible to believe in ontological realism from a social constructionist perspective which would acknowledge an inherent 'truth' in knowledge (Alvesson, 2004), as positivist research does. On the contrary, it sees reality relative and only apprehensible “in the form of intangible mental constructions” (Easterby-Smith et al., 2008: 110). This ontological relativism also implies a subjective and transactional epistemology, since the knowledge ('what can be known about reality') is created in the interaction between the investigator and the object of investigation, based on their individual constructions and perceptions of 'reality' (Guba & Lincoln, 1994).

For our thesis we adopt an interpretive, social constructionist approach. This means that we aim to find out how people perceive SHRM in a knowledge intensive context based on the premise that reality is not objective - as otherwise acknowledged by the functionalist or positivist paradigm - but socially negotiated and constructed (Alvesson, 2004). As Alvesson and Spicer (2009) point out, many positivist organizational management studies tend to focus mainly on the perspective of the company leadership to elicit 'objective truth' whilst neglecting the employees' perspectives. We feel that it is necessary to include the perceptions

of the employees as well to determine if they perceive themselves as knowledge workers and HRM as strategic or as something that is, in Ulrich's (1998) words, crucial for company success.

We decided to engage in qualitative research methods as it allows us to gain a deep understanding of our respondents' perceptions, feelings and experiences and does not limit us to investigate a pre-stated hypothesis. This makes it well suited as the method to adopt for our research in order to discover more about our participants' perceptions of SHRM, about the possible roles of identity and culture in CIKICs as well as about the context as such. Accordingly, we conducted two rounds of semi-structured interviews and made basic observations which provided us with impressions of our research site and helped us in the analysis of its culture as well as our participants' characteristics. Informed by our aim to create insight into the identities of knowledge workers, the presentation of our literature discussion in the next chapter (and partly the discussion of our empirical findings in chapter five) is woven around a fictitious persona - a knowledge worker whose characteristics and attitudes are informed by the stories of our participants. With this approach we hope to create a level of identification with knowledge workers that creates an understanding why and how knowledge workers perceive their work - and to some extent 'reality' - as they do.

### **Data Collection Procedures**

Our first contact at Beta, our main 'Gatekeeper', was Corinna (name changed), head of operations. During our initial meeting with her we presented our ideas about our master thesis and used her input to shape our approach. She agreed to give us the contact details of interview partners for our first round of interviews which we conducted with HR managers. One of the managers later helped us to set up the second round of interviews with the engineers from a product development center of the company. This technique of sampling is also known as 'Snowball Sampling' (Atkinson & Flint, 2012). We discuss the possible impacts this kind of sampling may have on our research further in the section devoted to the issues of the validity and reliability of our study.

We decided to address our research through interviews since we agree with Kvale (1996) who claims that conversation is a natural mode of human interaction and therefore suitable to learn about people's experiences, feelings and perceptions. Therefore, we conducted two rounds of semi-structured interviews ranging from 30 minutes to 1,5 hours, with an average of 45 minutes. In total we conducted nine interviews: four in the first and five in the second round.

Out of the nine interviews, eight were 'face-to-face' in the conference rooms of the studied company in a semi-formal atmosphere and one was conducted over Skype due to the location of the interviewee.

The reason why we decided for semi-structured interviews was that it allowed us to control the aim and the procedure of the interviews while giving us flexibility to react to our interviewees responses. To streamline our efforts throughout the literature review and the different interviews we made a preliminary list of what we sought to find out in the literature as well as through the interviews (Appendix I).

Throughout the interviews we had the impression that the participants were very open with the information they provided. Nevertheless we must not neglect the possibility that our presence, or the fact that we are outsiders to the company, could have limited their openness. The same accounts for the interview which we conducted via Skype. Next to small difficulties due to the delay in the audio transmission we also felt that the interview had a more formal character than the other ones.

Our interviewees were purposefully selected by Corinna and later by the manager, who helped us to set up the second round of interviews, for their knowledge intensiveness and high technological focus. By choosing those employees we hoped to discover the most difference in perception between managers and employees. However, a wide variety of organizational members were interviewed in terms of gender, age, nationality, seniority and position.

### **Developing a Research Aim**

Initially, the objective of our research was to assess the subjective perceptions of the employees whether they see themselves as knowledge workers as well as their perception to which extent they see HRM as strategically implemented in Beta. We planned to compare the management's and the employees' perceptions of the concepts of SHRM and knowledge work with each other and to academic definitions within the literature in order to reveal inconsistencies of their perceptions on a horizontal level (between managers and between employees) as well as on a vertical level (between management and employees). The aim was to create a better understanding of the overall fit of SHRM in CIKICs from which the companies as well as its employees could benefit. The figure below (Figure 1) illustrates where we assumed the differences might occur. We did not desire to 'capture' particular outcomes with the use of this matrix but rather to keep our work focused.

Figure 1: SHRM/KW Matrix

SHRM/Knowledge Work Matrix	Employees see themselves as knowledge workers	Employees do not see themselves as knowledge workers
HRM can be seen as Strategic		
HRM cannot be seen as Strategic		

However, during the research process seemingly more relevant themes surfaced. For that reason we shifted the focus of our analysis from the above mentioned *role* of SHRM in CIKICs to how SHRM could be used to facilitate knowledge work in a CIKIC like Beta, based on the perceptions HR people and knowledge worker have of SHRM. The themes of identity and culture in such companies, particularly in connection to knowledge work, therefore moved into the focus of our research. Accordingly, we concentrated on the role that identity could play in the clarification of the perception clashes between management and employees as well as on the role of culture in CIKICs. Subsequently, we tried to relate our findings to potential and apparent actions of SHRM, as we believed it might be beneficial not only for those organizations but for other researchers and students as well.

### Analysis of Empirical Material

As already mentioned in the previous section, semi-structured interviews were conducted in order to gain an understanding of people's experiences, feelings and perceptions, which are expressed "through language" (Easterby-Smith et al., 2008: 142). For this reason all our interviews were transcribed verbatim.

In order to discover 'something less obvious', we used elements of the hermeneutic approach to data analysis and we analyzed our transcripts by iterating between parts and the whole (Alvesson & Skjoldberg, 2010) as we think that in order to understand a small part of the interview, one has to keep in mind the interview as a whole as well as the context and vice versa. We thus took the organizational context, the participants' position in the company and other aspects into consideration while analyzing our empirical material. Moreover, we analyzed our pre-understandings as well as those of our interviewees. We are aware that these pre-understandings influence both, the way we understand what our participants were saying as well as the way in which our interviewees present things. Therefore, a more reflexive process of analysis was required (Alvesson & Skjoldberg, 2010). Reflexivity issues are addressed in the next part of this methodology section.

Furthermore, we followed the data analysis steps as proposed by Cresswell (2003). Our goal was to produce a thick description of our research results in our written report by contextualizing the significance of our gathered responses (Gill, 2011). After having transcribed the interviews, we read through all of our transcripts in order to gain a general overview over the obtained data. Thereafter, we read the documents more closely and coded them using the comment function in our Microsoft Word transcripts.

Following this further, we created a list of emerging themes and copied quotes from the transcripts that referred to them under each of the themes. Apart from that, we also created two separate excel sheets where we listed employees respectively managers on the horizontal axis and our interview questions on the vertical axis. Then we filled the sheets with the answers to our interview which referred to our questions. Where applicable, we wrote down possible interpretations of these parts as well. This helped us to create more specific categories and to analyze them in more detail as well as to check for interconnections. We did however not limit our research to our original topics but were open to new ones emerging. During the process, we frequently checked the existing literature to find out if our findings were unique or rather common.

In addition, secondary material such as an annual report and the company's web-page were also inspected. However, this material was only used to gain a better understanding of the company and its context as we acknowledge that secondary sources neither provide information about people's sense-making processes nor about their understanding of reality. Subsequently, we analyzed the obtained data by employing an interpretive approach. The way in which we have analyzed this material is discussed in the following section in more detail.

### **Validity and Reliability**

Reliability in terms of generalizability is not the objective of our research as we engage in qualitative research (Cresswell, 2003). We realize that neither validity nor reliability of our research can be determined by means of statistics as in positivist quantitative research (Golafshani, 2003). We rather aim to achieve a high level of trustworthiness and plausibility of our work (Cresswell, 2003).

As Silvermann (2008) defines validity in qualitative research by the truth of the explanations researchers give, our validity will not only be grounded in the subjective 'truths' of our interviewees, but also in the combination of information sources since we have, in order to

account for validity, employed triangulation (i.e. using different data sources such as interviews, documents and observations in order to "build coherent justification for themes" (Cresswell, 2003: 196). Additionally, we attempted to analyze and contrast similar as well as contradictory answers from our participants, within their respective contexts with the aim of looking at the data from different angles. Moreover, we followed what Seale (1999) calls low-inference descriptions. We thus attempted to give detailed data representations by trying not to taint the interviewees' responses through our own biases by including numerous original quotations in the presentation of our empirical data, and hence producing "thick description" (Gill, 2011). This also gives the readers a better chance to interpret the findings for themselves.

Another factor to take into consideration when evaluating our data is that even though we had an official permission from our research company to conduct our research we had the freedom to analyze anything we felt was relevant or interesting which supported the validity of our research. The fact that we did not choose our interview partners ourselves could however have had a negative impact on the validity of our study due to possible selection biases.

## **Reflexivity**

Reflexivity is defined as "the very ability to break away from a frame and to look at what it is not capable of saying" (Alvesson & Skjöldberg, 2010: 270). In Alvesson and Skjöldberg terms, being reflexive implies "avoiding empiricism, narcissism and different varieties of social and linguistic reductionism" (p.269) when interpreting empirical material and constructing meanings. In our research we attempted to be reflexive about the subjective nature of our interpretations. It should be mentioned that we have recognized some benefits from having two researchers conducting a study instead of one. Not only did it help us to ask more diverse questions during the interviews, it also enabled us to go deeper into the interpretation of our results and to further question our subjectivity.

As students in the master program 'Managing People, Knowledge and Change', we have gained insight into the underlying topics of SHRM, knowledge management and knowledge work which we bring as a useful asset into the research process. However, we need to be aware that this pre-existing knowledge could result in biases on our part. Being aware of trends and topics in our selected field of study, might lead us to have certain presumptions about the outcome of our research and might make us prone to the 'I see it when I believe it' effect (Alvesson, 2013a). In addition, it is also necessary to acknowledge that our

interviewees might have been biased by their personal experience or attitudes in some way (Cresswell, 2003; Veal, 2011). To proceed with the highest degree of reflexivity and transparency (Alvesson & Sköldbberg, 2010), we have created a list of our presumed outcomes (Appendix II) which we compared to our findings in order to clarify the possible preconceived influence on our data analysis. We also recognized the need to be aware of the ethical implications our research may have on the company and its employees. The perception of how SHRM is implemented could, for instance, entail the employees' and managers' subjective views. Therefore, we strived to ensure that we do not construe interview responses and to avoid compromising the interviewees' reputation. We sought to produce knowledge that can enhance the individual's condition in the studied organization by improving the overall understanding for SHRM in knowledge intensive contexts (Tracy; 2012).



## **CHAPTER 3: LITERATURE REVIEW**

This chapter gives an introduction to the relevant literature and concepts this thesis is concerned with. Particular attention is paid to the topics of knowledge work, engineers as a type of knowledge workers, knowledge intensive firms (KIFs), their culture and the individual identities of their employees. Furthermore, the concepts of HRM and SHRM are discussed in the light of CIKICs. Our persona Erik is used to exemplify how the issues involved can influence, be perceived or even shape individual perceptions and, vice versa, how identity can influence the perception of those issues.

### **Introducing of Our Persona 'Erik'**

This section introduces Erik, a fictitious persona whom we use as a means to demonstrate how theoretical concepts and assumptions can be understood in the context of an engineer's identity. By using this persona we hope to create a better understanding of how identity shapes and influences the perception of issues and concepts such as in SHRM and knowledge work and what these perceptions can imply for SHRM in CIKICs. Using Erik as an example of what we have perceived as a 'typical' engineer (if there is such a thing) throughout our research gives us the opportunity to include his background as an engineer to discuss the literature and our findings in the light of a knowledge work context. This method is also informed by our interpretative, social constructionist (Alvesson, 2004) inspired research methodology which is closer discussed in the methods section of this thesis. The companies 'Piper' and 'Gran Vent' are fictitious like Erik, but his current employer 'Beta' refers to the research site of our study. The experiences and attitudes of Erik are informed by the stories our participants told during their interviews.

Erik was born in 1974 in the province of Skåne in south Sweden and graduated from his home town University with a diploma in mechanical engineering in 1999. Shortly after his graduation he was accepted for a talent program at Piper, a company that specialized in marine technology with focus on plumbing systems for large cargo ships in Liverpool, England, which Erik knew from a study semester abroad. Through the training program Erik quickly learned what it means to be an engineer and became a valued member of his team. In 2005 the company went into bankruptcy and Erik moved to Le Havre, France, to take on a job as program manager at Grand Vent (GV) a company that develops wind turbines for offshore wind parks. In 2007 he began to look for a different job due to a lack of development opportunities and since he did not feel very comfortable with the company culture which he

perceived as not very open, highly competitive among working groups, as too hierarchical and with a high amount of operative control which he found to be constraining in his tasks. In late 2007 Erik was hired for the research and development (R&D) department of Beta, a company from his home town which specializes on energy converters and serves the global market in nearly a hundred countries.

### **Idiosyncrasies of Knowledge Work and KIFs**

As western societies move towards an era in which knowledge plays a pivotal role in business, a new type of worker, the 'knowledge worker', has appeared (Alvesson, 2013b, Drucker, 1993; Newell, 2009). Erik could be seen as such since he has a high degree of education that equips him with esoteric skills which he brings as his main asset into his work (Newell, 2009; Alvesson, 2004). The work Erik carries out can therefore be referred to as knowledge work (i.e. Newell, 2009; Alvesson, 2004), as he is occupied with complex problem solving, non-routine tasks, and the success of his company is partly depends on his, and his colleagues' ability to create (technical) innovation (Starbuck, 1992; Alvesson, 2004). Nevertheless, there is no clearly agreed upon definition of 'knowledge work' and 'knowledge worker', or, as Kärreman (2002) puts it, the definition of knowledge work is contingent on the interpretation of knowledge.

Companies that are based on work executed by knowledge workers are called knowledge intensive firms (KIFs). This term is used to describe various types of companies operating across different sectors. According to Alvesson (2004), the description usually fits to research & development (R&D) firms as well as professional service firms (PSFs) such as management consultancies or law firms. While Newell et al. (2009) claim that KIFs are recognized for their ability to “*solve complex problems and provide solutions for clients*” (p.29), Alvesson (2004) specifies that in the case of manufacturing companies, the RD costs should “*outweigh manufacturing expenditure*” (p.17) in order to be considered as KIFs. The kind of companies that we focus on in this study has been labeled as companies in a knowledge intensive context (CIKICs) in the introduction. CIKICs are distinguished from classical KIFs by not being focused on the creation, facilitation, or direct sale of knowledge, and from classical non-KIFs by still being highly dependent on internal knowledge workers to 'survive'.

Especially in companies like Beta which rely heavily on technical sophistication, employees like Erik are highly sought after, as those organizations are dependent on technological

innovations for products and processes (Meiksins & Smith, 1993). Looking for a new job when he perceived his chances for career advancement as insufficient during his time at GV was thus not surprising, as Erik and his peers indulge a high degree of labor market power and the prospect of posing high demands on potential employers in terms of being assigned to interesting tasks and good career development opportunities. Furthermore, knowledge workers also require a high degree of process-autonomy to apply their skills. A high degree of operative control as Erik experienced at GV may thus not be accepted by knowledge workers (Bailyn, 1986; Newell, 2009). It is important to note that attracting, developing and retaining an expert workforce and promoting innovation is crucial for KIFs and thus perhaps the most pressing strategic issue for the management of such companies (Newell et al., 2009).

Another category that is similar to knowledge work is that of 'professional work'. While professional work and knowledge work overlap in principal, professional work is largely defined by its connection to a regulated education (Alvesson, 2004). However, there is no clear distinction between Knowledge work and professional work. For engineering work, Rennstam (2007) introduced the term "complex work" to incorporate both aspects of professional and knowledge work. Characterized by a high degree of uncertainty and working with esoteric skills on non-repetitive tasks, Erik in his job as a R&D engineer could also be seen as a 'complex worker'.

This section discussed the concepts of knowledge work, knowledge workers and knowledge intensive firms. Because knowledge workers indulge a kind of special status due to the esoteric knowledge they facilitate as their main means of production, the next section discusses the issues of knowledge itself, identity and culture in a knowledge work context to provide a foundation of how knowledge workers in general, and those who work in CIKICs in particular, can be understood and managed.

### **The Role of Knowledge, Identity and Culture in Knowledge Work**

When Erik studied engineering he gained a lot of knowledge through literature, lectures, workshops and other written accounts of technical functions. However, after he graduated and started to work at Piper he still had to learn a lot through on-the-job training. Concurringly, a study conducted by Crawford (1989) among French engineers revealed that they often emphasize the importance of the knowledge and know-how they gained through working even over their formal theoretical education. This leads us to consider two different kinds of knowledge involved in engineering work. During his studies Erik was confronted with a lot of

spelled-out, formalized and codified knowledge, called 'explicit knowledge' (Polanyi, 1962). Its counterpart, 'tacit knowledge', is more related to certain skills (i.e. rock climbing, singing or the art of seduction) which makes it harder to articulate and pass on due to its personal notion. Arguably, tacit knowledge is easier to transmit through personal experience, which makes social interaction - as on-the-job training - an important part of knowledge transmission in knowledge intensive work. This claim is supported by the 'epistemology of practice' which - opposed to the 'epistemology of possession' where knowledge is believed to be cognitively owned by people (Newell, 2009) - sees knowledge as intrinsic to social situations:

*"[...] [S]ocial groups as diverse as construction engineers [...] do not learn things by converting tacit knowledge into explicit knowledge which is transferred from one person to another but, rather, by sharing and creating all kinds of norms, stories, representations, tools, and symbols which enable the experience of individuals to be related to the knowledge of a wider community. Knowledge is, in effect, 'enacted' through the practices of different groups and inextricably bound up with the way these groups work together and develop shared identities and shared beliefs" (Newell, 2009: 4).*

Especially in Erik's job as a R&D engineer, creativity and innovation, which have been established as two important aspects in knowledge work (Starbuck, 1992; Alvesson, 2004), play a crucial role. Weick (1980) defines creativity as blending existing items into novel products or, vice versa, introducing novel items to existing products. In their study among mechanical engineers and industrial designers, Hargadon and Sutton (1997) mention two sources, namely cross pollination, the use of solutions that resolved similar problems in the past, and spillovers from other industries for related issues as possible sources for creativity and innovation. Hereby the sharing of knowledge plays a central part in producing innovations (Newell, 2009) which brings us back to the socio-cultural component in knowledge work as it is seen in the 'epistemology of practice' (see Newell's quotation above).

Through the practice of working creatively on innovations, Erik and his colleagues are 'enacting' knowledge and 'bind' it in the form of their innovations (possibly in form of tangible objects). Based on the epistemology of practice we believe that through this process engineers "develop shared identities and shared beliefs" (Newell, 2009: 4) fixated on the outcomes that they, as engineers, create rather than on, for example, managerially imposed norms or pursuing commercial goals for the company.

A connection between knowledge work and identity also becomes evident when looking at Davenport and Prusack (1988), who explain the concept of knowledge as a liquid blend of experiences, contextual and esoteric expertise and personal values which together structure the intake, interpretation and the adaptation of new information into one's existing knowledge system. This process is also known as 'sense-making' (Venters, 2002). As this study subscribes to the social constructionist paradigm, we acknowledge that reality itself is ambiguous (as opposed to the positivist paradigm which perceives reality as representing a 'truth') and that the perception of reality is a matter of peoples' subjective identity (Alvesson, 2004). This suggests that for Erik the process of sense-making would be informed by his engineering background and the shared stories, norms, symbols, identities and beliefs (Newell, 2009) that are connected with it. For practical reasons we shall label those shared norms, stories, symbols, identities and beliefs that inform the sense-making process of certain employees-groups as 'professional culture'.

The creation of strong 'professional cultures' within a company can also have negative consequences for knowledge transfer and innovation in a company at large. When people identify themselves with their professional culture, certain means and ways of doing things as well as values and ideals become established as the one and only 'truth', or so-called nested practices (Newell, 2009). This process, called institutionalization (Alvesson, 2004; Cantero, 2005) can create high barriers between different 'professional cultures' within a company and lead to a reduced knowledge transfer, or 'stickiness of knowledge' (Newell, 2009; Blackman & Benson, 2012), between different groups. As identity seems to play an important role in knowledge work, we will now deepen our discussion with the help of 'Social Identity Theory' (Ashforth & Mael, 1989).

'Social Identity Theory' (SIT) states that "people tend to classify themselves and others into various social categories such as organizational membership [...]" (Ashforth & Mael, 1989: 20) as a means to order and define their social surroundings. SIT distinguishes between *social* identity - the prominent attributes of a group - and *personal* Identity - the personal characteristics of an individual - by which people commonly identify themselves through the aggregate of their sense of belonging to various groups and sub-groups. Erik for example could identify himself as 'I am Swedish', 'I work for Beta', 'I am an engineer' and even in sub-categories like 'I m a mechanical engineer' or 'I am part of the R&D team at Beta'. The way people perceive themselves is thus dependent on the context of the groups they feel connected

to. Hence, the perceptions of, for example, intelligence, attractiveness or height are contingent on the aggregate of these attributes within one's social groups (Ashforth & Mael, 1989).

According to Ashforth and Mael (1898) the degree to which people identify themselves with certain groups is largely contingent on the perceived prestige of the groups which means that people like to affiliate themselves with groups that they or society commonly sees as prestigious, as is the case with knowledge workers (Drucker, 1993; Robertson & Swan, 2003; Alvesson, 2004). People may even come to establish a certain hierarchy among the groups which they feel affiliated to. Erik might, for example, say that he is an employee of Beta, but sees himself as an engineer in the first place. This can lead to an in-group out-group thinking even within one company (Ashforth & Mael, 1989), amplifying the perception of positive attributes of the groups one feels affiliated to, the in-groups, and negative attributes of out-groups.

The socially constructed nature of the knowledge intensiveness (Kärreman, 2002; Alvesson, 2004) has also been highlighted to claim that this concept is often used to support the power of higher educated groups, often referred to as 'elite' (Robertson & Swan, 2003). According to Knights (et al., 1993), all workers can be considered knowledge workers to some degree for the application of knowledge is involved in all kinds of work. The acknowledgement of the socially constructed nature of knowledge intensiveness (Alvesson, 2000) does, however, not inhibit the prestige of KIFs as possessing cultural idiosyncrasies based on the nature of their employees (Starbuck, 1992) but rather increases it as people strive to be seen as knowledge workers (Drucker, 1993; Robertson & Swan, 2003; Alvesson, 2004).

As the identification with high-prestige groups is very strong, we argue that knowledge work is prone to in-group - out-group thinking. This could, for example, be the case between different sub-groups of knowledge workers (i.e. between engineers, lawyers, doctors or consultants) or between knowledge workers and groups which they may not perceive as such. Whalley (1986) conducted a study among British engineers that supports this claim, in which engineers tended to see blue-collar workers, like technicians, as out-groups. In the example of Erik, he might see himself and his colleagues as sort of secluded from (not to say maybe even as something better than) the technicians who work on the shop floor and assemble products with the innovations he developed. However, when it comes to issues in his company, such as layoffs or reduction of benefits that influence engineers and technicians alike, both groups may form one in-group over the issues that affect them both - while remaining out-groups in

other aspects - and see the company management who made these decisions as the out-group in this case. This could be an example of people's ability to develop several parallel identities between which they can switch, based on the context of the situation (Sveningsson & Alvesson, 2003).

It also shows people's tendency to identify themselves within certain groups and to create in-groups and out-groups which bears the potential to raise conflicts through inter-group tensions when the 'professional cultures' of different groups or sub-groups clash. Ashforth and Mael (1989) suggest that a strong company culture might alleviate intergroup tension. Following the argumentation that people can prioritize between different groups and switch between identities (Sveningsson & Alvesson, 2003), it makes sense that a strong organizational culture and hence the company at large can function as the main in-group. This could reduce the susceptibility of conflicts since intra-group discrepancies are said to be diminished over time (Ashforth & Mael, 1989). Especially in companies that are prone to in-group-out-group thinking due to different levels of knowledge intensiveness, which we have labeled as CIKICs, a strong organizational culture may be valuable to focus identity on the company rather than on its sub-groups.

Next to decreasing inter-group discrepancies the importance of a positive corporate culture in knowledge work should generally not be underestimated. A culture as in GV for example, which is characterized by reticence, will not be optimal to foster the spread and multiplication of knowledge, as knowledge sharing is less likely to transpire where employees do not see their organization in an open and positive light (Newell, 2009). The importance of an open culture promoting communication and the exchange of knowledge and stories is particularly striking when looking at knowledge from the 'epistemology of practice' perspective, understanding knowledge as existing in the interplay between individuals with the collective and thus as requiring a fair amount of communication (Newell, 2009; Alvesson, 2004). In this thesis we adopt a 'fragmentation perspective' on organizational culture suggesting that culture is something that organization 'is' instead of something that organization 'has'. Therefore, we acknowledge that culture is shaped by the way in which organizational members perceive, experience and construct their organizational context, events and each other over time (Newell et al., 2009: 43). In order to discuss organizational culture it is useful to reach a common understanding about its components, how they may stand in relation and influence each other. Since we do not subscribe to a functionalist perspective we do not aim to

generalize 'what' culture is but rather try to provide a common language 'how' culture can be discussed.

We found Hofstede's (2005) concept of culture in form of the different layers of an onion to provide an appropriate language to discuss the aspect of culture in CIKICs as it relates well to our previous discussion of identity and even uses a similar diction while being general enough to not label culture as *one* specific or 'true' concept. While some aspects of culture are quite visible (in Hofstede's model the outer layers of the onion) its inner, more fundamental aspects vested in the 'self-identities' (Sveningsson & Alvesson, 2003) of its members can be very subtle and hard to access, influence or control.

Hofstede (2005) introduces four elements of culture from easily visible up to strongly manifested in peoples' identity. He describes 'symbols' as particular objects that are visible throughout a culture, 'heroes' who embody strongly valued attributes of it, characteristic 'rituals' such as the way people pay respect to each other and 'values' deeply vested within the beliefs of its members. In this definition, a company culture could thus be defined by office layout or decoration, machinery and objects people work with, role models such as accomplished managers (or engineers in Erik's case), the power distance, the way people communicate, basic values embedded in the identities of the different sub-groups, plus the 'professional cultures' and individuals. All of these aspects are said to inform and influence each other (Hofstede, 2005) which would explain why culture and identity are so closely connected. Also Alvesson (2004) states that identity is closely related to organizational culture. He claims that stories, rituals, corporate artifacts, jargon and other things that shape organizational culture are “[...] used in internal and to some extent external communication, building and maintaining a more or less distinct, more or less broadly shared set of meanings and symbolism” (p.127) and that KIFs often have “[...] cultural manifestations of this kind, strongly emphasizing their distinctiveness and gathering people around a common identity” (p.127).

Relating to SIT (Ashforth & Mael, 1989) organizations should thus try to influence the symbols, heroes, rituals and values (Hofstede, 2005) within their company culture so that employees like to adapt them and do not feel 'pushed' into roles which they do not like to personalize and would become frustrated with (Sveningsson & Alvesson, 2003). In the latter case people would most likely adapt the 'professional cultures' of certain sub-groups as their main in-group which could lead to a higher level of inter-group conflicts (Ashforth & Mael,



1989), stickiness of knowledge (Newell, 2009; Blackman & Benson, 2012), decreased information exchange. Additionally, this would hamper innovation on which KIFs or CIKICS are dependant (Starbuck, 1992; Alvesson, 2004). According to Ashforth and Mael (1989), companies should strive to reach a high degree of 'organizational identification', the adaption of organizational goals into the employees' self-identity (Sveningsson & Alvesson, 2003).

It is believed that the task of the management in KIFs is to create a culture their employees will identify with and thus act in the best interests of the company (Newell et al., 2009). Therefore, the structure and organization of KIFs tend to be “[...] loose, informal and flexible [with] characteristic features of the adhocracy” (Newell et al., 2009: 45). Newel also states that while flexibility and self-managed teamwork are necessary preconditions for knowledge work tasks, it is the cultural conditions that enforce the so called 'responsible autonomy' (Friedman, 1997) where “[...] employees use their work autonomy to advance the interests of the organization and not just their own personal interests” (Newell et al., 2009: 45). Whalley (1986) also picks up on the issue that engineers like Erik are rather driven by the technology they develop than by capitalizing on organizational goals and suggests that in order to align the engineers' work with the commercial goals of the company, management must institutionalize a system of authority based on position in the company, not technical expertise, and facilitate its power to place commercial orientation in front of technical goals. This should, however, be achieved through the buy-in of engineers rather than by coercion as the latter would most likely push them into the aforementioned roles with which they might become frustrated (Sveningsson & Alvesson, 2003).

In this section we discussed the role of tacit and explicit knowledge which together with the help of the 'epistemology of practice' led us to conclude that the enactment of knowledge, as a central component of knowledge work, can have a strong influence on the identity of knowledge workers in developing what we label as a 'professional culture'. The implication this can have on organizations was discussed with the help of SIT and revealed that an organizational culture characterized by openness leading people to identify with the organization itself is crucial to promote knowledge work. The following section discusses the implications of knowledge work on HRM and SHRM work and explores how this can help to support and capitalize on knowledge work.

## **HRM, SHRM and their Connection to Knowledge Work**

Many definitions of HRM and SHRM exist among the literature (i.e. Becker & Huselid, 2006; Boxall & Purcell, 2000; Guest & King, 2004; Ulrich, 1998; Huselid et al., 1997). Yet, for our thesis we identify HRM as "anything and everything associated with the management of employment relations in the firm" (Boxhall & Purcell, 2000: 184) and that SHRM "implies a concern with the ways in which HRM is critical to organizational effectiveness." (p.184). Moreover, unlike the predominantly administrative HRM, SHRM is also involved in the long-term strategic planning of a company.

Accordingly, for our study we define the degree of strategic importance of HR tasks by how closely or strongly they are concerned with increasing organizational effectiveness. Since, arguably, HR tasks may have a varying connection to organizational effectiveness and long-term focus, we shall introduce the term 'strategy intensiveness' to not merely discriminate between purely administrative - also called technical - (Ulrich, 1998) and strategic HR activities. Using the example of Erik, HR activities at the low scope of 'strategy intensiveness' could be the issuing of paychecks or getting the paperwork for employment contracts done. Although these tasks are necessary for a company to function, their contribution to its operational effectiveness is rather menial. On the upper end of HR 'strategy intensiveness' could be the creation of development programs for employees such as career paths or consulting the company leadership on HR issues in a merger and acquisition or change management situations. Ulrich (1998) even argues that SHRM should be one of the main change agents within a company.

There are several reasons for companies to use their HRM departments as a strategic tool, such as gaining a competitive advantage by aligning their HR practices with their overall company strategy (Huselid et al., 1997 and Boxall & Purcell, 2000). This could lead to various benefits such as described by the 'resource based view' (RBV) on strategy (Boxall & Purcell, 2000) which says that organizations can develop a competitive advantage through creating and drawing on exclusive resources that cannot be imitated by their competitors. Since those resources can be the human resources of a company, introducing SHRM to adapt personnel issues to an organization's general strategies could create an exclusively skilled employee-pool and foster competitive advantage. In Erik's case a high 'strategy intensiveness' of HRM practices could be evident in form of training and development programs to improve certain skills that are related to developing new products. Although HR itself could provide

various 'soft skills' trainings, it surely does not have the expertise to issue technical trainings by themselves. They could, however, be responsible for identifying systems, investments, practices and policies (Boxall & Purcell, 2000) through which Erik and his colleagues could work the arrangements more efficiently to teach the workforce.

Also from the employees' point of view SHRM can have certain benefits. Huselid, Jackson and Schuler (1997) for example argue that companies that have effective SHRM practices are able to provide their employees with better development opportunities through trainings as well as promotions. In addition, they connect SHRM to a higher amount of cooperation among employees and state that companies are less prone to layoffs during terms of economic downturns. Interestingly, they also mention that the degree of SHRM effectiveness is based on the perception of the employees.

Although the thought of HRM as a strategic device has been acknowledged by many HR managers (Guest & King, 2004), Human Resource departments do usually not (yet) possess the esteem from company leadership, the necessary power to realize strategic HRM procedures or the required participation in strategic decisions in the majority of organizations (Guest & King, 2004). In addition, HRM is commonly considered as too pricey and unskilled in their administrative duties (Ulrich, 1998). Nevertheless, HR managers are frequently seen as a branch of organizational top management from the employees' perspective (Guest & King, 2004). Hence, HR departments need to improve their effectiveness in their existing tasks as well as the attitude of organizations towards them, in order to develop into a strategic tool (Guest & King, 2004). Moreover, a common problem which HR's low status among companies causes are vicious circles of not being perceived as prestigious and thus not attracting highly skilled managers to top HR positions.

Alvesson and Kärreman (2007) point out that SHRM can also be used as a tool to shape organizational and employee identity by providing a sense-making perspective through the "construction of meanings, values, and orientations" and by helping the employees to "cope with work and develop positive self-view" (Alvesson & Kärreman, 2007: 721). This can also be used by organization to develop an image of elitism through which employees who are attracted to such an image tend to work harder in order to be seen as elite in their positions as well. Facilitating its influence on organizational culture could thus be used by HRM to provide Erik and his colleagues with a commercial focus in their work.

When talking about 'strategy intensiveness' of HRM in relation to knowledge work, we would thus talk about the way in which HRM can help to increase the effectiveness of creating, applying or working with knowledge. Given the ambiguous nature of knowledge (Venters, 2002; Alvesson, 2004) SHRM in knowledge work could be seen as a matter of perception of what knowledge is and how working with it can be effectively optimized. Relating back to the discussion about knowledge work in the previous chapter, some of the factors which HRM could target to increase the effectiveness of knowledge work - and hence to be considered as strategic - may include the facilitation of a positive and open company culture to improve the communication and thereby the exchange of knowledge within the company (Newell et al., 2009). Furthermore, the concept of identity should be targeted by SHRM in knowledge work to secure that no segregation between 'professional cultures' or departments would lead to a reduced knowledge transfer through 'stickiness of knowledge' (Newell, 2009; Blackman & Benson, 2012) and increased intergroup discrepancies.

Apart from that, SHRM should be concerned with providing flexible structures that enable innovation, for example by keeping bureaucratic structures that affect knowledge workers to a minimum, as those are said to hamper knowledge work (Alvesson, 2004; Cantero, 2005; Newell et al., 2009). If Erik, for example, was restrained in his workflow by an abundance of prescribed processes, he might not be able to discover innovations due to the limited frame in which he is allowed to exercise his knowledge. The fact that knowledge workers work on their own esoteric knowledge into which HRM may not have thorough insight - for example in the case of engineering work - (Alvesson, 2004; Newell, 2009), shows how hard it would be for SHRM to manage the work that knowledge workers execute on a direct level but that increasing the efficiency of knowledge work from a SHRM perspective could be seen as a force that provides an enabling context for knowledge workers to apply their knowledge. Relating to Davenport and Pursack (1988), who define knowledge as a liquid blend of experiences, contextual and esoteric expertise and personal values which together structure the intake, interpretation and the adaptation of new information into one's existing knowledge system, SHRM would - through managing organizational culture, identity, facilitating innovation, communication and providing flexible structures - provide a framework in which knowledge may exist rather than targeting its content.

In this study we like to look at SHRM in a knowledge work context as a decorator decorating a room with paintings. The paintings themselves - representing the knowledge among the knowledge workers - cannot be influenced or changed by the decorator but he can decide

which frames to provide for the paintings and in what constellation to hang them up in the room. In Erik's example the painting would be his engineering expertise on which SHRM has little to no influence. Nevertheless, by providing him with a frame through a company culture and structures, certain ways through which his knowledge can be 'brought out' could be fostered.

Due to the ever-changing and competitive nature of today's world, even manufacturing-based companies like Beta are forced to seek competitive advantage through more innovative sources such as knowledge work and more strategic human resource management, for "[...] traditional sources and means such as capital, technology or location become less significant as a basis for competitive advantage" (Sparrow, Schuler, & Jackson, 1994: 267). This shows the need for a 'knowledge intensive context' even among strongly manufacturing focused companies in which SHRM would be faced with managing knowledge workers as well as non-knowledge workers, a situation which we shall call 'context duality' from here on. A problem that arises for SHRM through 'context duality' could be seen in the esoteric skills knowledge workers bring into a company providing them with a high labor power, process autonomy and demands on development opportunities (Bailyn, 1986; Alvesson, 2004; Newell, 2009) which non-knowledge workers do not have as strongly. CIKICs that are, for example, shaped by a manufacturing focus and have a predominantly non-knowledge worker base, as in Erik's case, may have SHRM practices that suit to manage non-knowledge workers. The question that arises in this thesis is how they also employ those SHRM practices that have been identified as suited for knowledge workers and how working in a CIKIC influences the self-perception of knowledge workers.

In this second part of our literature review we have defined SHRM as issues connected to employment relations that have a strong impact on organizational effectiveness. The degrees to which SHRM tasks are related to the effectiveness of a company have been labeled 'strategy intensiveness'. Tasks that are commonly related to SHRM include for example workforce development or acting as a change agent. In a knowledge work context, we have identified SHRM tasks such as providing flexible work structures to foster innovation, creating an open and positive culture and identify as potential SHRM activities.

## **CHAPTER 4: PRESENTATION OF EMPIRICAL FINDINGS**

The objective of this chapter is to present our main findings and give an overview of the salient themes that surfaced through our interviews. The chapter is divided in two main parts, the first informing our initial guiding question "*what is the role of SHRM in enabling knowledge work in CIKICs?*" and the second part is structured around issues that relate to our other research question "*what is the interconnection between the knowledge intensive context in CIKICs, their culture and the identity of the employees?*". The themes in this chapter reflect the issues we discussed in the literature review to prepare the ground for further in-depth discussions of our findings in connection to both, our guiding research questions and the existing literature.

The names of the respondents presented in this thesis have all been changed due to reason of confidentiality. Thus, our interviewees from HR were named Caroline, Tineke, Jana and Dennis. The employees we interviewed are Linnea, Jelle, Alec, Rasmus and Ole.

### **SHRM's Tasks in Beta and its Connection to Knowledge work**

This section outlines our findings regarding the perception of SHRM in Beta and its role in managing knowledge work. We start this section by presenting the perceptions HR managers and employees have of HR tasks in general and SHRM related activities in particular. Special attention is hereby paid to the role of bureaucracy in SHRM of CIKICs. Subsequently, we stretch five issues that emerged as salient regarding how SHRM could be applied to enable knowledge work in CIKICs. These issues relate to the visibility of HR activities in Beta, succession planning as well as talent development and lastly the issue of knowledge management.

### **HR Managers' Perceptions of SHRM**

In order to inform how SHRM can be used to support knowledge work in CIKICs we found it necessary to first come to an understanding what HR managers themselves perceive as SHRM in general as well as in the specific context of Beta. Though some of the definitions appeared to be vaguer than others, a commonly mentioned aspect was the interconnection of HR objectives with the overall business strategy.

“I would say that you have a long-term plan with your HR work and that you link the business goals with the HR goals in a strategic way.” (Jana)

“We work more to find out what is [...] going to be the strategy of the company, therefore, [...] we layout the strategy of HR.” (Tineke)

Similarly, the connection to vision and mission was brought up by some interviewees. Another aspect frequently pointed out was the increasing significance of people as the company's main asset and the requirement to manage them accordingly.

“We very often say that the HR are the most important resources of the company. If I take Beta as an example, we used to be very innovative and we started somehow thirty years ago by innovations and so on where you had a technical advantage. That was very much foundation for the company to be successful. Over the years that technical advantage is getting less and less. And I would say that today we might have it in few applications, but in general terms I would say we have competition who are as good as us when it comes to technology. However, what would make a difference, or what needs to make a difference, is quality of the people working in the company.” (Dennis)

The HR managers seemed to be aware of the importance of ensuring a unique talent base, linking business objectives with those of HR and managing the important 'human resources' accordingly. Quite often, one of the first things mentioned was 'having the right people with the right competences'. Interestingly, all managers and employees called potential employees 'right' people when talking about recruiting and attracting employees whereas people, for example, in business consulting often talk about the 'best' people (O'Mahoney, 2010; Alvesson & Kärremen, 2007). From all responses we also recognized that the engagement of HR in more strategic activities is in general a rather new trend at Beta, as one of the participants recognized that this started about four or five years ago. Additionally, the managers tended to give examples of their own work routine at Beta when we asked what SHRM represents in their opinion.

“It's managing of the organization... to organize the human resources. That's attraction, selection, training, assessment, rewarding the employees... and also leadership and culture. That's the context I think I'm working with.” (Caroline)

This could also be interpreted in a way that they perceive themselves and Beta's HR as strategic and then logically start naming their tasks and - or - goals when asked about their understanding of the term SHRM. Furthermore, the managers, who held lower positions in the HR hierarchy of Beta, gave statements about the practical part of 'their SHRM work' in the form of Balanced Score Cards (BSC) and working with processes. BSCs in particular

illustrated a tendency in management to quantify HR goals and the means of “measuring” HR success.

Even though the managers first mentioned the alignment of HR strategy with the overall business goals, sooner or later they all stated that the HR strategy or HR itself generally exists in order to 'support' the main business. This is an interesting point of view because it contradicts to some extent statements about people being the most important resource of Beta who require a suitable management. On the other hand, this could perhaps be explained by the nature of the company as a largely manufacturing-based company where HR's job is to support the operational business. It could also reflect that Strategic HR tasks are still quite new and therefore perhaps not perfectly developed or implemented in people's minds. For this reason, HR managers might realize that their work is still composed of many administrative tasks, although they consider it as strategic. They also clarified that there are more or less 'two kinds' of HR in the company, namely the fully administrative HR called 'HR service center' and a more strategic one, including the HR business partners we interviewed. However, the more strategic part of HR depends in its intensity largely on particular positions and hierarchical levels.

“I'm absolutely involved in both. Sometimes I would wish that I was able to focus more on the strategic issues, sometimes time is eaten up by that administrative work that you also have. It's of course also got to do with the way we are organized.” (Jana)

“I think I have too many administrative tasks. I would like to work more strategic.” (Caroline)

“Especially at my level it should be more of a strategic position. At HR business partner level it should be maybe 50-50. In reality I must say that we haven't come that far as we would like to. So I would say in all fairness I guess Caroline's work would be 80-90 percent operational and maybe 10 percent strategic” (Dennis)

Before we conclude the understanding of HR people about SHRM, we shall first present the corresponding perceptions of the employees in order to highlight dissimilarities.

### **Employees' Perceptions of HR's job at Beta**

To gain a more thorough picture of HR's duties in enabling knowledge work in Beta we included the employees' perceptions of the tasks they relate to HRM in Beta. Their responses



varied though the connection of HR to managing recruiting and the development of people, seemed quite distinctive.

“They take care about the employees and take care about the development of the people... and the hiring and matching the right competence of the people with the right position” (Jelle)

“HR department should be responsible for the well-being of the employees. Make sure that you like where you work and that you can continue develop and so on.” (Linnea)

Apart from that, the HR department was often connected to various rather administrative tasks such as salary revision or assuring that regulations are met.

“To find employees and resources, handling together with different departments, keeping control that the regulations are met for unions and so on” (Alec)

Moreover, some of the interviewed employees argued that HR has sort of a consulting or supporting position when it comes to 'people matters'.

“I think they function as a consultant when a team manager needs help with some difficulties. They can be some advisor as a second opinion or so.” (Alec)

We noticed that most of our engineering respondents perceived HR as involved in strategic decision in Beta. However, it was noted by one employee that this perhaps entails only high HR executives.

“Hopefully! I’ve never seen any evidence of it, but I’m sure that HR executives up there are involved in discussions like that.” (Ole)

On the other hand, most employees understood HR work to a great extent as administrative or as a support function.

“I guess it’s more administrative work.” (Rasmus)

“I think they are here to support. Almost like IT.” (Ole)

Nevertheless, some of the interviewees noted that there might be two different kinds of HR (just like already noted by the managers) or that HR’s job may consist of both, administrative and strategic work.

“When I think about the big organization of HR, I’m thinking of salaries and the more administrative part. Then we have a business partner, HR, and that person is really more strategic” (Linnea)

The employees' perception was quite similar to the managers', although they were more inclined to the administrative part and only sometimes related HR to being involved in strategic decisions. The HR managers on the other hand perceived their tasks as already somewhat strategic while acknowledging that they still have 'a long way to go' to a more strategic and less administrative work routine.

Moreover, it is worth noting that budget restraints for HR were mentioned not only by HR managers but also by the employees as a factor that might inhibit HR effectiveness.

“I would like to start with this program... but it costs money... so...”  
(Caroline)

“HR is maybe one of the first things when you try to bring down the level of costs.” (Alec)

Subsequently, one employee claimed that even though HR intends to work more strategically they are held back by budget constraints or by the top management's orders.

“I wouldn't be surprised if it was pretty clear from the top what they're allowed to do [...] I think there are people who want to do more, but from my point of view... in how they work, how they're organized – I don't see that.” (Ole)

Comparing the perceptions HR managers and employees have of HR leads us to recognize a few differences. We gained the impression that our interviewees from the HR department put the emphasis largely on the strategic aspects of their tasks. Moreover, we felt that they would prefer to see themselves as strategic workers while acknowledging that they are also engaged in administrative tasks. The interviewed employees seemed to have the opposite perception. They related HR activities mainly to classical (administrative) HR tasks while believing (but not knowing) that at least to some extent HR is 'probably' also involved in strategic decisions. The responses of both HR managers and the employees indicated that HR in Beta could, at the time of our interview, not be considered a full-fledged SHRM department but rather as a small support function continually gaining strategic tasks.

## **Bureaucracy and Its Role in Beta**

The role of bureaucracy emerged as topic throughout our interviews and offered valuable insights in the way SHRM can enable knowledge work in CIKICs. As classical KIFs are often characterized by keeping its bureaucracy to a minimum we found indicators which suggest that bureaucracy in CIKICs may have a different value. Overall, our interviewees acknowledged quite a high amount of bureaucracy involved, mostly in adhering to and documenting work processes.

"I think there is a lot of bureaucracy within the R&D because you have to document everything. It is mass production and many products have to be manufactured in many [different] sites. The same products. We are very strict on how you have to document that" (Alec)

However, we got the general impression that the high amount of bureaucracy was not perceived as hampering the work of the engineers but rather as a welcome way to structure it. This contradicts to a great extent the literature on knowledge work and KIFs where employees are said to disdain a high level of bureaucracy.

"It is really needed and [...] all people are happy that we have something to follow" (Jelle)

Nevertheless, and more in line with the literature, our interviewees commonly felt that the degree of bureaucracy might be at bit too high and could be reduced in some places although the level of bureaucracy was not necessarily assessed as negative.

"We are also a very structured company, and in some departments over-structured" (Ole)

Related to our research, this implies that in CIKICs where knowledge work is aimed at supporting the operational business, bureaucracy might be a useful tool providing a certain practicality for the work of knowledge workers by giving it structure.

## **The Perceptions of the Strategy Intensiveness of HRM in Beta**

As certain aspects of HRM in Beta were given a high level of significance for increasing the effectiveness of knowledge work (and could thus be labeled SHRM), this section outlines the issues identified as SHRM tasks in Beta and discusses the four main topics within the respective subsections. The responses of the HR managers conveyed the impression that the level of HR influence in the overall company strategy largely depends on the specific HR

managers' positions and their hierarchical level. This also applies to the amount of strategic tasks compared to administrative duties.

“The way I work with my divisional manager is very much like this and how she normally describes it, she says: I have two right hands, my controller and my HR person [...] I cannot recall a situation where I had to fight myself into a decision or where I had to ask for information. I have to hold back a bit because... how much can I cope with it?” (Dennis)

Dennis as a high-ranking HR manager recognized that he is highly involved in strategic decisions and planning in Beta. The other, lower ranking HR-interviewees appeared less sure about their personal authority and contribution to an overall company strategy. They mostly considered themselves as participating in developing strategies with their specific areas of work. Sometimes they mentioned being involved in shaping 'lower', or more specific strategies but not being directly involved in the company's overall strategy.

“You have interviewed Dennis, who is involved in those questions. So I can't say how the HR involvement has been when it comes to the general strategy.” (Jana)

“[My manager] comes and says “I think next year we need to concentrate more on the talents or how to identify talents in Beta” and then I should come with a proposal.” (Tineke)

Moreover, the managers positioned HR's contribution to the company's effectiveness and long-term objectives in finding and developing the 'right' people. Likewise, the connection of HR objectives to the overall goals was mentioned, similar to the manager's definitions of the term SHRM:

“[...] and have a business focus so that the HR supports the business goals [...] having the right people with the right competences.” (Jana)

Regardless of our respondents' level and involvement in shaping Betas strategy, the issues that were most closely linked to strategically managing knowledge work in the company were the visibility of HR activities, employer branding, talent development programs, succession planning and knowledge management. These are discussed in the following sub-sections.

### ***The Issue of (In)visible HR***

It was universally recognized by both, managers and employees, that the size of the HR department in Beta is rather small. This also appeared to be interconnected with the issue of HR-visibility which frequently emerged during the interviews as having negative effects on

HR's ability to enable knowledge work. All employees claimed to be in touch with the HR department no more than twice a year during their development talk or only by initiating the contact personally.

“I talk to them only when I have questions or something I would like to know about.”(Rasmus)

Secondly, some responses implied that HR is almost exclusively in touch with other managers and not with the majority of employees themselves. This could explain why employees often connect development initiatives to their managers and not to HR. Furthermore, we repeatedly heard that the employees are quite unaware of the nature of HR work, and do not see the HR people very often. Moreover, the impression was conveyed that people could only describe the HR tasks they had personally encountered. This supports the argument that HR, particularly its more strategic tasks, are not always visible to employees. Lastly, employees frequently mentioned rather explicitly that HR in Beta does not seem to be very proactive in engaging the employees.

“They don't sent out notes or other things to announce that we're going to have this and these [*trainings and development programs*]... not really”  
(Rasmus)

All employees agreed that they would welcome a more visible and proactive HR. This deficiency was to some extent acknowledged by the HR managers who at the same time emphasized the limitations HR has in Beta due to limited staff and funding.

### ***The Issue of Employer Branding***

The importance of employer branding and attracting the 'right' people with the 'right' competence was mentioned by every single HR manager regarding this issue as crucial in enabling efficient knowledge work in Beta and a potential SHRM task. Even though all managers noted the significance of employer branding, when it came to specific activities, only a few of them have been directly confronted with this issue. When asked about the specific programs in place, they mainly mentioned internships for university students or lectures. Moreover, the lack of a global trainee program was recognized by the managers.

“We have been speaking about doing a corporate program, but now it's mainly local. Sweden has a program actually... then there's a good one in Germany... they also have something in China” (Tineke)

They also recognized that the employer branding activities in place focus on engineering students, who were recognized by many managers as the 'key competence' in Beta. This was acknowledged by all the managers, though one of them mentioned that Beta requires all kinds of talents and that the focus should be changed accordingly to be more advertised in the current programs. Furthermore, it was mentioned that many programs stay at the planning stage, often due to budget constraints. Most of the employees were aware that there are some employer branding programs in place but only few had a thorough overview or knew about specific programs. This implies that the knowledge of the programs in place is not spread sufficiently to employees or to public.

“I don't think we announce Beta for students so much [...] I know we have a program, where we together with some other companies... we have trainees that go around couple of months in each company, so I think the companies are trying to attract younger people, students” (Rasmus)

However, it should be mentioned that not all employees considered employer branding as an actual priority in Beta.

“I don't know, I know there's a lot of people out there on all levels, speaking about the company and something, doing lectures. I go to schools sometimes to talk about the company... and then we spend some money on university and stuff... promoting... but I don't think it's our top priorities” (Ole)

### ***The Issue of Talent Development***

Talent development was frequently mentioned and perceived by the managers as one of the main focus areas of Beta's HR which could increase the company's overall effectiveness.

“[The employees] have to take training, they have to build on their formal knowledge by various trainings to be able to do more and more different tasks” (Dennis)

Throughout the interviews the managers realized the requirement to increase the company's focus on developing its employees. Some of the interviewees also talked about special development programs for young people or female employees.

“I mean we want to have more females on top, so we actually have [...] two talent programs, one is for young people, one is for females.” (Tineke)

Regarding the development possibilities in Beta, most employees mentioned that they have been part of at least one development program during their period of employment. Some of

the respondents were also aware of specific programs in place. However, most of them mentioned that they are usually not in touch with HR when it comes to development outside of yearly 'development talks'.

Connecting development programs to their respective managers instead of HR confirms the low visibility of HR and the estimation that HR people are mainly in touch with the managers and not employees. Some employees even considered themselves as 'lucky' to be part of a development program which leads to the assumptions that the perceived possibilities for development programs among the employees are not too high. Furthermore, we recognized that HR might not be promoting the development opportunities enough.

“I think that only people who are interested in that know about it, you have to look for it yourself” (Rasmus)

“I don't think they're against it, but there's no proactive thing in that.” (Ole)

When asked about development possibilities, all the employees answered that they would appreciate more possibilities to take part in programs and for HR to be more proactive in communicating and advertising them.

“Definitely. I think that's very good way of keeping people and also making sure that they're engaged.” (Ole)

However, some of the employees mentioned that even without participating in development programs people in Beta grow a lot within their position which they usually keep for a long time. One of the employees connected the longitude with which people in Beta usually hold the same position to the problem of attracting young people to the company. Consequently, it was commonly perceived among our interviewees that Beta does not offer many entrance level positions for graduates but mostly requires at least some years of professional experience. According to our interviewees, the problem of employing young talents might lie in the nature of the engineering work which requires a lot of experience. Another issue that frequently emerged from our interviews with the employees was the issue of not offering career paths for specialists.

“For example a specialist ladder where you can grow as a specialist like many companies have,” (Linnea)

“Some of us are not interested in this kind of [management] career and they have to make special arrangements to keep us” (Ole)

Specialists who are not interested or not skilled to follow a management career constitute a large number of Beta's employees. The company should, according to the employees, develop career paths for specialists.

"I think they should also push very hard to having alternative ways of doing careers in the company" (Ole)

Moreover, some of the interviewed employees mentioned that the possibility to move into different functions on the same level in different departments should be promoted more visibly.

### ***The Issue of Succession Planning***

The importance of succession planning was commonly mentioned by HR managers when asked about SHRM in relation to knowledge work. One of them noted that even though succession planning was always considered an important topic, it was not the main focus of HR until quite recently. Managers consider succession planning as well as retaining the 'right' people as crucial and claim to pursue this to a great extent. Several employees found the issue of succession planning fruitfully carried out in the company, others saw room for improvement.

"I wish that when we have a person that we know is gonna move on, partly age or whatever, that we can have help in forcing the company to hire someone earlier so it doesn't have to be just a short overlap. So if we could have people running side by side and that's something HR could help us with." (Ole)

Some of the employees were worried about knowledge transfer and succession planning because in the worst case scenario the valuable knowledge from the former employees would be lost. Nevertheless, helpful in knowledge transfer and succession planning in general is the good communication between employees and the different departments. This was acknowledged to be the case in Beta because of its very good and open company culture.

### ***The Issues of Knowledge Management and Innovation***

When discussing how knowledge management was perceived within Beta, respondents saw the difficulties connected to transferring knowledge effectively between individuals as well as groups.

"I think it's a kind of problem in each company because that's really difficult to transfer knowledge, to share the knowledge" (Jelle)



The difficulties in transferring knowledge may even be one of the reasons why employees find the relatively high level of bureaucracy often helpful when it comes to documenting findings and adhering to certain process steps while recognizing its down side in term of time consumption.

"We are trying to really develop, to push, to really make the standards to describe this in processes and standards that could help especially new employees to learn. But you can't transfer everything and put on a paper, that's more time consuming" (Jelle)

No established programs concerned with knowledge management were mentioned by our interviewees. Instead, the way in which knowledge is passed on and built upon within Beta was said to be based on the companies' communicative culture.

"It's a very network[ing] organization, which means that anyone can speak with anyone and suddenly you get a new idea and new project". (Rasmus)

"I think everyone does their best and we also help each other with our problems. We share our knowledge, so it's very open". (Tineke)

All things considered we had the impression that communication, knowledge sharing and innovation itself were closely connected to the open company culture. This was seen to encourage people in seeking new ways of doing things and to be innovative. One of the employees connected innovation to HRM by stating that innovation is not produced by machines but by people and that HRM should actively support employees with innovative thinking.

In brief, the issues discussed above emphasized a few challenges SHRM faces in enabling knowledge work in Beta. While the general perception of HR people was that the involvement in SHRM tasks varies by position and job level within the company, employees often had little insight into what SHRM actually does - or can do - to make their work more efficient. The latter plus the perceived lack of initiative in promoting training and development programs could be based on the low visibility of HR in Beta due to the small size of the department and to the lack of funding. Employer branding emerged as a potential SHRM task because of its significance in attracting qualified knowledge workers. Next to attracting knowledge workers, effective succession planning was mentioned as crucial in order not to lose valuable knowledge when people leave the company. Finally, the issue of knowledge management and the difficulty of passing on knowledge have been identified as a possible reason why certain bureaucratic structures may benefit knowledge workers.

To sum up the entire first section of this chapter under our guiding question: *"What is the role of SHRM in enabling knowledge work in CIKICs?"* we have established that the definition of SHRM in Beta largely revolves around connecting overall business goals with objectives for managing Human Resources which are increasingly considered as the company's most valuable asset. The involvement in strategic tasks compared to administrative tasks was perceived in a slightly different way by employees and HR people. While the employees regarded HRM as largely administrative and at the same time involved in some strategic decisions, HR people preferred to see themselves as focused on strategic tasks accompanied by administrative duties. Furthermore, we recognized that the role of bureaucracy in Beta is largely perceived as providing structures rather than hampering knowledge work. Although the involvement in strategic tasks for HR people may vary according to level, we pointed out how certain issues in SHRM may pose challenges on enabling knowledge work in CIKICs. Those issues have been identified as HR invisibility (informed by lack of funding), employer branding to attract the right employees, training and development programs to develop knowledge workers, the support of succession planning and finally the issue of knowledge management.

### **The Knowledge Intensive Context, Culture and Identity in Beta**

This second section of chapter four is set to present the findings relating to our research question *"What is the interconnection between the knowledge intensive context in CIKICs, their culture and the identity of the employees?"*. Although the three topics appear to be largely independent from each other, the discussion in chapter five assesses possible implications of their interplay.

### **Perceptions of the Knowledge Intensive Context in Beta: External Image and Internal Identity**

In order to assess how the knowledge intensive context in CIKICs may influence a company's culture and identity, we continue in pointing out how Beta, as an exemplary CIKIC, is perceived in relation to its knowledge intensive context. Therefore, we outline its reputation on the market as assessed by employees and HR managers, and the extent to which customers consider Beta as a KIF. On the internal level, this section outlines how the people at Beta gauge the manufacturing focus and a knowledge intensive image.

Employees and HR managers distinguished between two levels of measurement when it comes to the company's external reputation, the brand name recognition and its popularity. On the name-recognition level Beta is perceived to be publically rather unknown.

"... because we don't have these exciting products..." (Ole)

This was perceived due to the fact that they operate in the business-to-business sector. In relation to this sector, however, the responses indicated that Beta has developed a widely known brand name especially among engineers but that there still exists a lack of knowledge about what exactly Beta develops and produces.

"We have managed to get a pretty good name, when it comes to the innovation field at least in the last couple of years [...] but I think I have to explain each time what we are doing here... our products" (Ole)

Another issue concerning Beta's reputation is, according to the employees, its popularity among those acquainted with the brand name. The perception of Beta's popularity was very positive throughout all responses. This was partly explained by Beta's products and the company's method of operating.

"I think we are recognized that we have first of all the cleanest technology, the most advanced technology. But also that people in the company are very knowledgeable" (Tineke)

This estimation indicates that the knowledge vested in the company is considered a valuable asset. It benefits the quality of their products, their reputation and the value of brand recognition. Furthermore, the reason for the low profile of the company's actual products was commonly seen in the 'invisible' nature of, for instance, heat exchangers or fluid separators which are usually installed out of sight from their customers. An increased emphasis on the positive implications Beta's products and the knowledge that is vested within them can have, was named as a possible way to improve the company's brand recognition.

"We could talk more about 'we are cleaning the water for people in Asia' instead of saying that [the product] weights 50kg" (Linnea)

Furthermore, it was deemed necessary to emphasize the focus on knowledge rather than on the products. This corresponds with the requirement for an elevated knowledge level in Beta's production, in order to stay competitive. Since the level of technology among companies operating in the same market as Beta converges, our interviewee Dennis recognized the need for a highly qualified workforce as a means of gaining a competitive advantage. Especially

when it comes to product development, the company may exhibit a high need for knowledge workers in order to remain competitive in their key markets which are based on technology that was developed decades ago.

"We have products that were developed [in] 1980 and they're still selling good." (Rasmus)

"But some of them are also getting into sort of mature state and we need to build new cash cows" (Ole)

Moreover, the degree of knowledge work is, from of our interviewees' point of view, increased with Beta's focus on post-purchase services. When Beta sells a complex machine, they offer service agreements for consulting, maintenance and emergency trouble shooting along with it. This service was perceived as involving a high degree of knowledge intensiveness and high profit margins. Because Beta's products are considered very expensive, our interviewees saw a connection between their products and knowledge intensiveness as a valid way to justify their prices.

"Pricewise we are usually at the very top. And I would say, those we are trying to convince are the once who have this knowledge because we are talking about the value adding things. So around that simple product of ours there is a lot of knowledge that you can get for free. If you buy our products, then you will get advice [...]" (Dennis)

The responses gathered from our interviewees indicated that the perception of Beta as a KIF most likely varies among customers in accordance with the applications and services they purchase.

"It's a large diversity between the customers and types of applications we have. Our products as well, in so some cases its pure product and in some cases we have knowledge" (Jelle)

"If I talk to the customers I would say, depending on the kind of application because some of our products are really very simple stuff and they are sold to non- engineering customers" (Dennis)

Dennis' quote implies that the customers' perception of Beta as a KIF, next to the applications they purchase, is also contingent on their own knowledge intensiveness. As Beta has a wide customer base that would not necessarily fall under the category of KIFs, for example in the food and logistics industry, it might not be appreciated as a KIF but as a mere manufacturer by a number of customers. This assessment of Beta's image as varying from product to

product can also be interpreted as another indicator for the company's knowledge intensive context, rather than being a classical manufacturing or knowledge intensive firm.

On the internal level, the perception of the organizational identity was unified in thinking of Beta as a manufacturing company in a first place but with a strong reliance on knowledge as one of their main drivers. This further strengthened our estimation of Beta as a CIKIC as defined in the introduction.

"That's a hard question! I think that we [are] manufacturing but we are surviving and thriving on the knowledge. So we need to equip [our products] with knowledge around" (Jelle)

"I think the attention is to be close to the customer, be their advisor" (Alec)

While talking about both, the organizational identity and Beta's image, it became evident that more knowledge intensiveness was striven for to further distinguish Beta on the market:

"Absolutely, absolutely! And we need to market that one more, so the internal perspective needs also to better communicate it to our customers"  
(Dennis)

In brief, being perceived as a KIF by the market and its clients was seen as helpful in the case of Beta as a CIKIC because this image was connected to higher profit margins. The actual approval of Beta and its products as knowledge intensive was stated as dependent on the respective products and customers. This may be a general issue for CIKICs selling tangible goods. However, the internal identity of Beta is shaped by its image of a manufacturing company in the first place. According to our interviewees, an increased external knowledge intensive image was desired although the focus on the operational business of CIKICs, as in the case of Beta, may hamper its development. The discussion chapter elaborates on the question of how far knowledge intensiveness within CIKICs could or should be enabled.

### **The Role of Culture in Beta**

In order to assess the role organizational culture may play in CIKICs this section outlines how the company culture in Beta is connected to communication and how it can enable knowledge work within CIKICs. We found culture to be an important factor in this kind of company because it emerged as a salient theme from our interviews. One of the first impressions we gained when conducting our interviews was that people liked working for Beta. This perception was strengthened during the analysis of the interviews as the following quotations indicate.

“It’s really open climate and you can always say what you think. It’s free to speak.” (Jelle)

“We’re a nice company to work in.” (Ole)

“It’s very much open culture where people like to explore things.” (Tineke)

This appeal of a nice company with a friendly and open culture was widely spread among both, the management and employees we interviewed and was often accompanied with the employees' claim that they see managers as their colleagues rather than supervisors.

“Yeah, we see managers as colleagues.” (Alec)

“We try to see each other’s sides and stuff... it’s not so much... There’s politics here. Clearly. But it’s not so much bad politics.” (Ole)

This came with the perception of a 'culture of trust' mentioned directly or indirectly by many interviewees. Not only do employees see their managers as trustworthy, also the employees in the company are trusted and enjoy high levels of autonomy. The general working atmosphere of trust among employees and managers leads to a low degree of process control.

“I have a manager and he asks every now and then what I’m doing... but... that’s it.” (Ole)

“The Beta culture is a culture very much built on trust. We trust people to do what is good for the company.” (Dennis)

Notwithstanding, few of our participants mentioned that in order to gain respect you have to show results and 'deserve' this respect. All things considered, these quotes reflect that people very much appreciate Beta’s culture as it enables them to discuss anything with anyone, which does not only make them feel more comfortable, but also helps them in their work.

“What I think facilitates a lot of innovation in Beta is the working environment and the working culture. [...] Probably if I don’t know the answer, for sure there will be ten other colleagues that can help me solving these problems.” (Tineke)

All of the employees agreed that the communication within the company is very good and that it does not only help them with their work but also reinforces the company culture of trust. Furthermore, this does not only apply to communication within departments but also across departments and the different offices and locations of the entire company.

“Yeah, I think we’re really good at communicating. I think we’re pretty good internally. We were very successful in the last couple of years in keeping a cross-functional culture.” (Ole)

However, an employee who has been with Beta for many years recognized that the company culture is less open now because the company's size is growing. Nevertheless, the company culture was recognized as very open to diversity which could also be informed by the increasing size of the company and by a number of diversity programs that are in place.

“It’s a very international company. It’s where being a foreigner is very much accepted.” (Tineke)

Throughout our observations, we perceived the culture of the company as not only reflected in open communication and a flat appearing hierarchy but also in aspects like the employees' and managers' rather informal clothing.

“I think also that we’re quite informal in the way we communicate [and] the way that people dress.” (Tineke)

Furthermore, when talking with our participants about company culture, they often mentioned that they perceive their way of working, meeting clients and holding presentations as 'Beta’s way of doing things'.

“I think there’s some Beta way of doing stuff and so on. It’s in the company. It’s in the walls.” (Jelle)

This confirms that people identify certain characteristics of Beta's culture with the way they work which may have various reasons. One of them might be the open working culture. Another one might be found in the products of the company themselves.

“We believe in the value of the products that the company has, because we do a lot of heat recovery and cleaning up stuff. We do a lot of good. It’s much easier to be motivated to work for Beta than to for instance military industry or something like that.” (Ole)

We also noticed that employees in particular seemed to be proud of 'their' products for they are often perceived as 'clean and advanced technology', used for 'noble' purposes such cleaning water and providing heat. It was also common for employees and management, to claim that their culture is not specific to their location, but rather spread all over offices and facilities around the world. Some of the employees made a further connection and argued that their company culture is to large extent influenced by the Swedish culture. One of our respondents, a female HR business partner, made us realize that Beta’s culture is probably not

only influenced by the Swedish culture and by a number of foreigners working in it, but also by the high number of male employees working in the company. This could be due to the engineering-based nature of the company that traditionally attracts more male employees.

“I think it’s to some degree very much male engineering culture. I think there’s only 20% or less women.” (Tineke)

To sum up, the relevance of an open company culture surfaced in its contribution to creating communicative structures that enable employees to share their knowledge widely across the company. It was also perceived as creating a 'we feeling' and an atmosphere of trust. The latter became evident in the relationship between the employees and managers we interviewed and indicated a low level of in-group-out-group thinking in Beta. For our question regarding the role of culture in CIKICs this means that culture could be used to create structures which enable knowledge work by reducing boundaries in communication and by diminishing distrust. The role of SHRM in this is discussed further in chapter five.

### **The Identity of Beta’s Employees**

As we already established in the literature review, identity is an important factor when it comes to SHRM in knowledge work. To inform how identity is connected to organizational culture and to the knowledge intensive context in CIKICs, this section presents our findings regarding the perception of the identities of knowledge workers in Beta. To distinguish between knowledge workers' self-perception and how HR managers see them, the following two sub-sections outline the HR managers', respectively knowledge workers reactions.

#### ***HR Manager's Perceptions of Employees***

All the HR managers we interviewed considered the engineers from both, the production lines and the development center whom we interviewed, as knowledge workers. Their definition of 'knowledge workers', however, was usually limited to having a university education and intensive on-the-job.

“They’re engineers and they’re educated at a university. So they’re absolutely [knowledge workers].” (Caroline)

One of the interviewed managers, however, claimed that in the case of the production line employees there is a need to evaluate them individually whether they can be seen as knowledge workers.



“Some. I would say that you almost need to evaluate them one by one. There’s an enormous spread and I would say that it’s probably more related to interests and also energy level.” (Dennis)

Dennis apparently thinks that Beta provides the majority of its employees with the possibility to become a full-fledged knowledge worker, but that not every employee embraces this opportunity. Interestingly, all of the HR managers claimed to be knowledge workers themselves although they often described their work as widely administrative. They also explained that Beta is to a large extent dependent on knowledge workers - in their case engineers.

“They have the key competence. The key competence is very important to us.” (Caroline)

Engineers are perceived by HR managers as bearing the company’s 'key competence'. All the HR managers clearly pronounced this. Only one of them noted that Beta requires much more than just engineers. However, the company is mainly attractive for and focused on them. Furthermore, some characteristics specific to knowledge workers were also mentioned by the interviewed managers.

“I think they also demand to have a lot of freedom.” (Tineke)

Knowledge workers, in this case engineers, were characterized as indulging a high level of autonomy and having high labor power. Besides, one of the managers found that engineers from the product development center like to regard themselves a special group within Beta, rather than a normal department. This supports the previously mentioned argument that engineers, the main group of knowledge workers in the company, are crucial to Beta’s success and also, that they are aware of it. Nevertheless, this was not entirely supported by the actual employees, who identified largely with doing things the 'Beta way' and with being part of the company and its culture.

The interviewed managers generally claimed not to be aware of such thing as a 'typical' Beta employee. Nonetheless, one of our interviewees mentioned that the profile of the engineers they strive to employ has been consistent for a long time. Furthermore, one of the managers mentioned that engineers do not have a commercial focus.

“So we need engineers with more commercial orientation so that they could adapt whatever they come up with to the needs of the markets. Or if they could convince the markets that they need it- that’s fine. But you cannot do

it just because of the fun of it or because it challenges you as an engineer.”  
(Dennis)

This was even supported by the employees who admitted to be focused on the technical side of things and their products.

“We are engineers. So we kind of promote too much the technical things.”  
(Linnea)

On one hand, employees agreed that they do not have a strong commercial focus, on the other hand some of them claimed that they feel held back by the company in the use of their full engineering capacity.

“We’re not using, in my mind, the capacities that we have for future money, for future knowledge because we’re kind of locked in our silos.” (Ole)

### ***Employees' Self-Perceptions***

All the engineers we interviewed consider themselves as knowledge workers, except for one project manager who claimed that his work is partly knowledge work and partly pure administrative work. The employees’ definitions of knowledge work were rather more complex and focused on their actual job tasks, compared to the ones of HR managers. They claimed to contribute by competence, drive to change and innovate rather than simply by bringing a university education and extensive training into the company. Moreover, the employees agreed on commonly shared characteristics, in contradiction to the perception of the HR managers. The employees did not only assent on a shared identity, they also described themselves and their colleagues as loyal and hardworking team players as the following quotations exemplify.

“Dedication for work... I don’t have a good word for it but I think everyone does their best.” (Rasmus)

“People here are ambitious but not competitive.” (Linnea)

“[We are] very loyal to the company and we believe in the value of the products that the company has.” (Ole)

These quotations reflect that apart from a shared identity employees also strongly identify with Beta’s products. This provided them with a shared understanding of Beta as a company as well as a sense of purpose and motivation for work. Apart from the products, respondents often claimed that the work itself is their motivation as they consider it interesting and innovative and not at all monotonous.

“I work in a very motivating department. We work with new things, we cooperate with universities... so I think that my work is motivation enough.” (Rasmus)

Furthermore, one of the employees mentioned that she does not feel deadlocked at her job or forced to make a career. She appreciated the possibility to follow her various interests at her job and perhaps develop either in her own position or in a different position on the same level. Willingness to develop new skills and knowledge was common among all the engineers we interviewed and could thus be considered as another characteristic along with dedication for work, loyalty to the company and non-commercial focus as already mentioned above. It should also be mentioned that all employees as well as all managers interviewed claimed to be very autonomous at their work despite the fact that most of them recognized that they have to adhere to certain given processes. They rather perceive those as needed and welcomed them as a help to structure their work.

“I can decide how I will work, but when it comes to processes- it’s strict. But that’s needed in what we do here.” (Jelle)

We assume that that knowledge workers welcome structures in form of processes based on the nature of the company as a CIKIC which needs to integrate their innovations into the tangible products.

Concluding this section, we have witnessed a few clashes in the perception of knowledge workers' identity between the engineers and the HR managers in our study. Most striking for us was that the HR managers saw the common identity among knowledge workers limited to their high education level and intensive on-the-job trainings, and the recruiting process as a 'filter' for certain characteristics. Knowledge workers themselves perceived a stronger professional identity vested in their competencies, the drive to change and to innovate. In addition, strong intrinsic motivation from their job and a salient identification with their products became evident. For our research question regarding the role of identity, this implies that we cannot assume that HR and knowledge workers have the same perception of their respective identities in CIKICs. This leads us to conclude that SHRM should make an effort to understand the knowledge worker’s professional culture in order to improve their insight into their identity construction and to manage them accordingly.

The following chapter picks up on the salient themes regarding the management of knowledge workers and the involvement of culture and Identity in it. Furthermore, existing literature is consulted to give a clearer presentation of the meanings our findings may have.

## **CHAPTER 5: DISCUSSION**

The presentation of the data we have collected through our interviews has revealed several aspects that could inform the role SHRM can play in enabling knowledge work within CIKICs, which has been our guiding question throughout our research. Furthermore, we could gather some affirmations about the interconnection between a knowledge intensive context, culture and identity. As the mere presentation of our finding in the previous chapter might not suffice in responding to our guiding question, this chapter discusses the results in light of the concepts identified as relevant in the literature. We do not aim to give a straightforward answer to our questions by explaining universal or casual relationships between the issues involved - as we do not believe that there are such - but rather exemplify how SHRM, knowledge work and a knowledge intensive context can be understood in relation to each other and thus made sense of.

In contrast to other studies (i.e. Ulrich, 1998), we did not look at SHRM from an external- or company leadership perspective, which, as Alvesson and Spicer (2009) outline is often the case in functionalist studies, but by comparing the perceptions of HR people and their 'target group' - knowledge workers - to gain an interpretive perspective on SHRM by those who are involved in it. Although the discussion in this chapter strives to connect the perceptions of our interviewees to the theory, we must acknowledge that our own awareness and interpretations of the issues involved may have biased the discussion.

### **Roles and Limitations of SHRM in CIKICs**

According to our interview responses, enabling knowledge work to its fullest in Beta as a CIKIC which is to large extents based on non-knowledge work with a manufacturing focus might put too much emphasis on knowledge work and have counterproductive effects by distracting from the company's overall commercial goals. As SHRM should be concerned with increasing the overall organizational success, this would stand in contrast to its mission. Therefore it is imperative for SHRM to balance the facilitation of knowledge work with the commercial goals in CIKICs in order to be considered effective. As it became evident through our interviews that Beta is perceived as a manufacturing based company in the first place, this showed how much importance the manufacturing aspect has and that the emphasis Beta puts on both knowledge work and production is balanced to avoid neglecting one for the benefit of the other. For SHRM in CIKICs this means that it should broker between enabling a context

for the knowledge workers to proceed in the way they work most effectively, while trying to direct their focus towards the commercial goals of the company.

The roles and restrictions SHRM faces in CIKICs also became evident in the aspects which our interviewees connected most saliently with the roles of SHRM, such as attracting, recruiting, developing and retaining the 'right people'. It was stated by the employees that whenever they wanted to develop new skills they had to make an effort to find and get into training themselves. This required the consent of different entities in the company and seemed to be an overall difficult process. As the development of new skills was regarded as highly important by the knowledge workers, HRM should become more proactive when it comes to training and development opportunities to enable knowledge work on a strategic level.

The reason why training and development opportunities were perceived as insufficiently promoted by HR can also be associated with the boarder aspect of a low HR visibility within Beta. Throughout our interviews most respondents connected visibility issues to the small size of the HR department, to the lack of funds and the low strategic decision making authority. This may be informed by Beta being a CIKIC that focuses large parts of its capital on the key competences identified as engineering and manufacturing work by our interviewees. Hence, in order to support knowledge work in Beta on a strategic level, HRM would have to become more acknowledged as a strategic driver and be financially enabled to act in this role. However, despite the lack of funds, the general perception was that HRM has increased its strategic involvement in the company management over the past years.

Furthermore, our research revealed that promoting knowledge intensiveness as a part of an external image as well as internal identity, for example through employee branding can be a SHRM tasks in Knowledge work. Since the employees and managers in Beta commonly linked a knowledge intensive image with higher profit margins, promoting an image of knowledge intensity that comes with the products was suggested to improve profits. This can be seen as a strategic HRM task through aligning the internal identity accordingly in order to present a consistent picture to customers and the public. Especially when it comes to employer branding the high reputation and even a picture of elitism which is commonly connected to knowledge work (Robertson & Swan, 2003) could support recruiting tasks as attracting the right employees. In general, promoting an internal as well as external knowledge intensive image or identity may prove practical for CIKICs to improve their competitiveness.

When it comes to the company's ambivalence between knowledge work and the operational focus on manufacturing, employees perceived Beta as based on the latter but surviving on knowledge. Externally, the perception of the company's knowledge intensiveness was described as largely dependent on the specific products and on the context in which they are 'surrounded' by knowledge (i.e. if they come with service agreements and consulting work or as a mere product). This exemplifies the ambivalence in distinguishing organizations solely as KIFs or production based companies and underpins our idea of labeling companies like Beta as CIKICs.

The main restrictions we have registered for SHRM in knowledge work within CIKICs comes from having both knowledge workers and a large manufacturing operation between which the available capital and attention must be balanced. Additionally, the restricted funds may not allow HRM to develop into a full-fledged SHRM department, able to strategically manage knowledge workers to the full extent.

### ***Organizational Culture and Communication as A SHRM Responsibility***

One topic that turned out strikingly important for SHRM throughout our interviews was the role of organizational culture in managing knowledge workers. A significant effect of the open and positive organizational culture we have witnessed in Beta was the loyalty knowledge workers felt towards the company and the open communication among the staff. Communication was seen as a crucial aspect in knowledge work by our interviewees, who emphasized the high frequency of meetings and conferences to exchange ideas, the significance of knowledge sharing and the relay of knowledge through succession planning. Therefore, we accord much value to the organizational culture of trust in Beta that leads people to openly and gladly share knowledge. Creating a positive company culture that supports the exchange of knowledge (Newell et al., 2009) can thus be seen as a task ascribed to SHRM since it does not only improve the communication among knowledge workers but among all the staff. In Beta, as a CIKIC, this issue seemed important since they do not only employ a homogenous group of knowledge workers. A high level of communication might arguably result in more 'spillovers' and 'crosspollination' (Hargadon & Sutton, 1997) and in an improvement in the effectiveness of knowledge work.

In addition, we found no evidence for strong in-group-out-group thinking between different departments or between managers and employees in Beta as they mentioned an inherent 'we-feeling' within the company supported by its open culture. Based on the epistemology of

practice (Newell et al., 2009), in an open company culture through which all employees work closer together because of a high level of communication, they would 'enact' their knowledge together, creating a common identity or 'we-feeling' towards the entire company. This might detain employees from predominantly identifying themselves with a department or their 'professional culture' and thereby creating strong in-and out-groups. Especially in CIKICs we see an open culture as crucial since the different ways of knowledge enactment (Newell, 2009) between knowledge workers, non-knowledge workers and management might lead to stronger differences in the manifestation of shared beliefs and values between groups which could make them more prone to in-group-out-group thinking (Ashforth & Mael, 1989).

### **Bureaucracy in CIKICs - Safety Net or Obstacle?**

An aspect that could be seen as an idiosyncratic characteristic of CIKICs, especially when they are manufacturing focused like Beta, is the aspect of bureaucracy as a helpful tool in structuring in knowledge work. Whereas some literature suggests that bureaucracy usually hampers knowledge work (Alvesson, 2004; Cantero, 2005; Newell et al., 2009), other literature such as Adler and Borys (1996) propose that bureaucracy can be both, in their terms, 'enabling' and 'coercing', acknowledging a possible positive effect of bureaucracy in knowledge work. Our interviews indicated that, in the CIKIC we assessed, bureaucracy was also perceived as a welcome structure for employees to arrange their work. Additionally, they judged bureaucracy favorably as providing them with a safety net for their work which they often characterized as involving high outcome-uncertainties. Subsequently, we conclude that in contrast to classical KIFs where the created knowledge is closer to being the end product, in CIKICs bureaucracy may have a different role and value because the created knowledge is used as a means to improve the company's tangible products. A sort of bureaucracy that connects the knowledge work in CIKICs with its operational business may thus be generally welcome. Providing structures fostering this sort of bureaucracy could be seen as a SHRM task as it would aim at increasing the company's overall efficiency.

Since Davenport and Prussack (1988) describe the process of sense-making as integrating new knowledge into one's set of existing experiences, one can see why bureaucracy might help to make sense of processes with uncertain outcomes where no or little pre-existing knowledge exists, by predetermining a set of steps, safety- or quality standards, as it is the case in Beta. In order to enable knowledge work, SHRM in CIKICs should be aware of the role bureaucracy plays in their organization and provide their knowledge workers with respective

structures. Especially in CIKICs like Beta bureaucratic safety nets could be used to connect the outputs of knowledge work to the operational business. Providing these structures and thereby enhancing the organization's effectiveness would be a task with strategic magnitude that SHRM could take on in CIKICs. Nevertheless, it should be noted that our interviewees mentioned to be sometimes faced with too much bureaucracy. This leads us to conclude that we cannot generalize if bureaucracy in general supports knowledge work (or engineering work in particular) or what the universal 'right' level of bureaucracy is to structure knowledge work. Based on the concept of individual sense-making (Venters, 2002; Alvesson, 2004), it seems unlikely that a 'right' level of support through bureaucracy can easily be determined since it is a matter of subjective perception.

### **Identity and its Role in Defining SHRM**

By means of the literature we have identified that 'strategic' in terms of Human Resource Management implies a concern with the contribution of HRM to organizational success, or in other words, how it can be facilitated to make a company more effective (Ulrich, 1998; Boxhall & Purcell, 2000). This coincides with the general perception our interviewees had of the concept of SHRM. Based on our social constructionist research paradigm we acknowledge that reality - or the perception of it - is a matter of subjectivity (Alvesson, 2004) and formed by people's process of sense-making (Venters 2002; Alvesson, 2004). Throughout our interviews we have witnessed some distinctions in defining success between managers and knowledge workers. While the knowledge workers generally conceive their own success in the functionality of the products they create, HR's perception of working fruitfully was closely tied to achieving goals according to their BSC such as improving the employee satisfaction index or lowering staff turnover. Based on the findings of our interviews we acknowledge that the factors which lead a company to success are largely contingent on the perceptions of the people involved in the business. SHRM is thus socially constructed by what its spectators deem as important for company success.

As we look at knowledge from the perspective of the epistemology of practice which sees the existence of knowledge in its enactment which in turn creates shared believes among the actors (Newell, 2009), we recognize that knowing different things than other groups would result in enacting knowledge differently and in developing contrasting believes and perceptions. In Beta we could witness this by the different definitions of success factors among HR people and engineers. Since CIKICs have varying forms or levels of knowledge



within their workforce, due to employing both knowledge and non-knowledge workers, we find it crucial for SHRM in CIKICs to be aware of the existence of, so to say, different worlds and strive to connect them, possibly by providing bureaucratic structures that unite the different worlds in the pursue of the company's overall success.

Throughout our interviews, the knowledge workers connected issues such as training and development, fostering a diverse workforce and the creation of structures enabling them to work innovatively to HR tasks that can help them to make their work more efficient and which could thus be perceived as SHRM tasks. In the context of our research this indicates that in order for HRM to be considered as strategic in the context of knowledge work it must be involved in improving the effectiveness of the tasks knowledge workers carry out. The assessment of the main factors for increasing effectiveness can be seen as socially constructed and may differ between groups. Thus it is crucial for HR to learn about the knowledge workers' perception of success factors and contribute to improve these.

We realized that HR Managers consider themselves and Beta's HR in general as largely strategic. However, the tasks they described as their day-to-day job, indicated a high level of administrative work. This was also perceived by the employees which leads us back to the issue of identity as socially negotiated. The HR people comprehend their work in large parts as strategic. This self-perception of being strategic workers might be vested in their 'professional culture' (for example in pursuing goals according to their BSC) and may serve as a means to make sense of their jobs. The reason why knowledge workers should be managed strategically became evident in the example of Beta because the management commonly perceived the work knowledge workers conduct as crucial for the success of the company and thus in itself a strategic aspect. Since we have defined CIKICs as being dependent on knowledge work we suggest that the strategic management of knowledge workers should be a priority in HR work which, in order to be understood as strategic, should target and clearly communicate the issues employees recognize as strategic.

### **The Role of Different Contexts in Shaping Identities and Perceptions**

While engineers like our fictitious persona Erik might find the crucial success factors for their company vested in the technology they develop, marketing may see them in creating a widely recognized brand name and sales may understand effective sales channels as the predominant success factors. Throughout our interviews we gained the insight that knowledge workers are motivated by the tasks they conduct and by their outcomes. In our specific case, knowledge

workers were engineers who identified themselves with the functionality of the technology they develop and not directly with the commercial success of the products or the commercial success of the company at large. This should not be misunderstood that engineers do not care about the overall organizational success but that their sense-making of what improves the company's business - and hence what they consider to be strategic - is guided by their own 'professional culture' and therefore different from that of the HR people.

In our research we did not discover the kind of context duality we previously defined as the issue of HR being confronted with managing both knowledge workers and non-knowledge workers as we did not include non-knowledge workers in our study. However, we did encounter something that could also be understood as a sort of context duality, deriving from the different sources of identification for managers and employees which caused clashes in the perceptions of various themes and issues such as the role of SHRM in the company. The lesson HR in CIKICs could learn from our finding is that employees who work in different professional cultures shape their identities accordingly. HRM should thus set their own professional culture and how the way they make sense of things in relation to those of their 'targets'. Moreover, HRM should look for clashes to come to a better understanding about what the 'targets' see as strategically important. In this case we would re-define 'context duality' as dissimilarities in sense-making between parties that have different professional cultures.

### **Understanding the Identities of Knowledge Workers to Understand How SHRM Can Enable Knowledge Work**

Throughout the interviews our perception was that, overall, the HR people did not see a salient shared identity among knowledge workers in Beta that goes beyond having a high educational level and intensive on-the-job training. This clashed to some extent with the perceptions of the knowledge workers who, in fact, claimed to have a shared understanding of their work, the company and the products they work on, that they share a focus on innovation, a drive to change and that they bring their competence as their main assets into the company. Furthermore, all of the employees we interviewed mentioned that the task of developing and innovating products was their main motivator for working at Beta. This also underlines a common identity within their profession which we have labeled as 'professional culture' and indicates a high identification level with their outputs.

As we have explained in the literature review of this study, the 'epistemology of practice' (Newell et al., 2009) suggests that by working together in enacting knowledge, social groups form shared identities as well as shared beliefs. Among the interviewed knowledge workers we recognized a high degree of pride in the work and the outputs they create. This unity in the passion for their products corroborated our idea that in knowledge work a very strong shared identity exists which could inform how knowledge workers make sense of their world and thus define how they perceive SHRM. In the example of Beta, a shared identity was expressed by pride in the products these knowledge workers create. Therefore, the perception of SHRM was largely connected to issues that can improve their products. For HRM to understand what knowledge workers perceive as success factors they must thus acquire require insight into the identity of knowledge workers.

Since the tasks of the knowledge workers we interviewed was focused on technical development, they saw those activities that enable them to improve their technology or the way they work on innovations like trainings, development opportunities and diversity related issues which they connected to improved problem solving abilities as SHRM. In order to determine the role of SHRM in knowledge work one has to look from the knowledge workers' point of view to determine the HR related duties that could improve the effectiveness of their work. To put it differently, the perception of what SHRM in knowledge work is, is contingent on what knowledge workers perceive as important in making their work more effective. If HR understands these issues, they can manage knowledge workers more strategically. The example of Beta shows us how an overall open company culture with a flat hierarchy may help to facilitate communication and knowledge exchange which were identified as important aspects in making knowledge work more efficient.

Moreover, in CIKICs like Beta, knowledge should be regarded to as a means rather than the end of production since the knowledge that is produced is not sold directly as such but integrated in and around the products. SHRM should thus enable the knowledge workers in CIKICs to work with their knowledge in the best way they can (for example by addressing issues as culture, identity, development, diversity and bureaucracy) while aligning their work to the company's success which is based on being commercially successful with the products and services they sell. SHRM could then, to some extent, be seen as the controller of knowledge workers in an enabled context and at the same time help to focus their work on commercial success. To be conceived as strategic, HRM should thus start by assessing the business needs of the knowledge workers - what they need in order to function - and then see

how they can provide structures of sense-making to cope with outcome uncertainty and to align their work with the commercial success of the company. In order to do so, however HRM must be recognized as a strategic driver by the company and become empowered with authority and funding.

Managers as well as employees in Beta pointed out that knowledge workers need to indulge a high degree of process autonomy in their work. This leads us to consider that providing knowledge workers with flexible structures within which they can decide on their own how to solve certain problems could be a part of SHRM's role in enabling knowledge work. Relating back to the issue of bureaucracy and according to Davenport's and Prussack's (1988) definition of sense-making, we suggest that in CIKICs a certain level (or type) of bureaucracy might be used to establish an effective frame for knowledge workers within which they can facilitate their knowledge and work largely autonomously while providing a way to focus their work on the operational business - in Beta's case manufacturing. In that way SHRM could provide structures through which knowledge workers can make sense of their innovation work in light of the company's overall commercial success. It also corroborates our idea of thinking about SHRM in CIKICs in the metaphor of a decorator who fits frames to paintings and arranges items in a room to fit the overall ambience.

### **Thinking about SHRM in CIKICs as a Decorator**

In order to make sense of knowledge work related to SHRM in CIKICs we came to think about SHRM in the metaphor of a decorator. Like assigning frames to paintings, SHRM can provide structures of sense-making, as it was perceived in some of the bureaucratic structures of Beta, without 'cutting' into the tasks of knowledge workers. Arranging the paintings and other items in a room can be seen as arranging the work of knowledge workers to benefit the overall operation of CIKICs. Just as placing certain items next to each other can change the ambience of a room, misaligning the work of knowledge workers may result in outcomes that do not fit the company's overall goals.

Nevertheless, SHRM must be careful not to put knowledge workers into roles ('frames') they cannot or do not want to internalize and would become frustrated with (Sveningsson & Alvesson, 2003). In the metaphor of the decorator, this could be an equivalent to using too large or too small frames. The issue of choosing the right 'frame' became evident in the need for a high degree of autonomy among the knowledge workers we interviewed. They should not be restricted by too small frames - such as unnecessary bureaucratic structures - but also

not by too large frames that would not provide enough structure to cope with the uncertainties of their work or that would shift the focus away from the operative business of the organization.

Due to the different professional cultures and sources of identification, 'different worlds', so to speak, can occur within a company. In relation to managing different identities and professional cultures we see the task of HR within the decorator-metaphor as integrating seemingly indecorous items into a harmonic entity. Viewing SHRM in a more feasible construct such as a decorator could provide people with a tool of sense-making and lead to a better understanding of SHRM tasks.

## **CHAPTER 6: Conclusion**

The purpose of this chapter is to summarize our research. We recapitulate our main findings as well as the theoretical contributions and conclude this thesis by reflecting upon the limitations of our study and proposing directions for future research.

### **Findings and Theoretical Contributions**

Starting from the premise of the social constructionist paradigm, we looked for the meaning - or the role - of SHRM in enabling knowledge work in Beta, a company in a knowledge intensive context. Therefore, we assessed SHRM from both the perspective of HR and its 'targets' - the knowledge workers - to interpret which HRM issues are involved in enabling knowledge work and can therefore be considered as strategic HRM.

### ***CIKICs and Their Implications on SHRM and Knowledge Work***

We introduced the category of companies in a knowledge intensive context (CIKICs) to the field of studies occupied with knowledge work and knowledge intensive firms. Therefore, we defined CIKICs as organizations that have their business focus outside the mere creation or direct sale of knowledge but, for example, on manufacturing. However, they employ an amount of knowledge workers engaging in knowledge work without which they would most likely not stay competitive. We saw a need for introducing this term in the ever increasing requirement for knowledge in work, even in companies that are mostly manufacturing based.

Another issue of interest was to consider the implications the 'knowledge intensive contexts' may have on knowledge work and SHRM in CIKICs because they do not have their operational focus on knowledge work as such. We came to the conclusion that putting too much emphasis on knowledge work in CIKICs might have counterproductive effects for the company's overall commercial success as it might shift the focus away from their core business with the possible result that the created knowledge might not be sellable through the company's products. HRM should thus be applied to align knowledge workers with the overall business in CIKICs in order to be considered as strategic. This ambivalence distinguishes SHRM in CIKICs from classical KIFs in which knowledge is the focus of production and does not have to be balanced with, for example, manufacturing.

Furthermore, when it comes to recruiting and employer branding we have identified a few idiosyncrasies for CIKICs. Companies like Beta that are mostly known for the products they sell may find it more difficult to attract qualified knowledge workers when they are publically

not perceived as KIFs. As we have emphasized in the previous chapter, employer branding should also aim at creating a knowledge intensive image to attract knowledge workers in CIKICs.

### ***Providing Structures for Knowledge Work in CIKICs by Means of Bureaucracy***

Regarding a more specific issue in knowledge work, our study seized on the discourse of bureaucracy in KIFs and related it to CIKICs. In the discourse around bureaucracy as either a hampering or enabling factor in knowledge work we saw its role in CIKICs as potentially beneficial. Our interviews revealed that bureaucracy can be used to - or seen as - providing structures of sense-making in knowledge work. However, we acknowledge that too much bureaucracy will at some point interfere with knowledge work. Regarding our research question, how SHRM can enable knowledge work in CIKICs, its task could be to identify where and how bureaucracy can be applied to focus knowledge work towards the commercial success of the company.

### ***SHRM as Socially Negotiated by Professional Cultures and Context Duality***

Since we see reality as subjective and socially negotiated, our research led us to conclude that there can be no universal definition of SHRM in knowledge work as we have witnessed in the different perceptions of success factors among employees and HR managers. We connected the perception of these success factors to the shared norms, stories, symbols, identities and beliefs that inform the sense-making process of certain employee-groups, which we have labeled as 'professional culture'.

For situations in which professional cultures clash due to dissimilarities in sense-making, we have introduced the term 'context duality'. For SHRM this means that they need to see their own professional culture in context with those of their 'targets'. In CIKICs this includes both knowledge workers and non-knowledge workers. By contextualizing what their 'targets' define as crucial for increasing their effectiveness and the role of HR related tasks in it, HRM can identify how to become valuable in increasing the overall organizational effectiveness (and thus be considered strategic). In CIKICs this should be balanced between enabling knowledge work and the operational focus. From this angle, SHRM can be seen as socially negotiated between HR and its 'targets'.

In order to understand other professional cultures and to make sense of context duality, HR must gain insight into their identities. In our example of engineers we have identified a strong professional culture with a focus on the technology they develop rather than on the

commercial success of the company. By understanding this focus, SHRM could be applied to direct the technology engineers develop towards the commercial benefit of the company, as we have discussed in the previous section, by providing bureaucratic structures.

As one of our main findings we see a necessity for HR people to realize that their work is socially constructed in order to better align their efforts with strategic issues. Perceiving SHRM as socially constructed would mean to acknowledge that different professional cultures connect different HR activities to increasing their effectiveness. Gaining insight into the identity of different professional cultures would make it easier for HR to identify tasks connected to increasing the organizations overall effectiveness which can thus be considered as a strategic HR tasks.

### **Thinking about SHRM in CIKICs as a Decorator**

In order to make sense of SHRM and its role in enabling knowledge worker within CIKICs, we developed a more feasible construct – the metaphor of a decorator – that could provide a tool for a better understanding of SHRM's tasks in CIKICs. Firstly, SHRM, just like a decorator assigning frames to paintings, could provide structures for knowledge work, for example through bureaucracy. Secondly, similar to a decorator arranging paintings in room, SHRM can 'arrange' the work of knowledge workers towards the overall commercial benefit of the CIKIC. Thirdly, as we see different professional cultures and sources of identification emerging in CIKICs, we believe that the task of SHRM could be to connect these 'different worlds', just like the task of the decorator to integrate seemingly indecorous items into a harmonic whole. SHRM, like the decorator, needs to be aware of the importance of suitable 'frames'. On one hand, knowledge workers should not be restricted by too small frames that do not provide them with enough autonomy, on the other hand they should not be assigned too large frames that do not provide enough structure to cope with uncertainties.

### **Reflections and Further Research**

We acknowledge that both, the context and duration of our research, might represent possible limitations of our study. We would have conducted not only more in-depth interviews, but also extra observations focusing on the demonstration of different professional cultures within a knowledge intensive context as we believe this may have provided more detailed insights into the role and relationship of identity and culture in a knowledge intensive context. Moreover, although we attempted to establish our interpretations as tightly as possible on the obtained empirical material, we acknowledge that our perspective might be sort of



disconnected from the organizational life. However, the perspective we adopted for this research could not only help to create meanings for researchers but for the practitioners as well.

Working on this project and discussing it over the months has led us to consider several more research topics we could not include in this study due to its limited scope. A few connected or similar studies other researchers might be interested in are, however, worth pointing out.

As the issues of culture and identity were identified to have strong implications on what people perceive to be SHRM and knowledge work, conducting this or a similar study in a setting with a different culture might reveal more insight into how ones construction of reality and the underlying culture may shape the perception of the nature of knowledge work and how it can be strategically managed. The culture in Beta has been described as typical Scandinavian with low power distances and open communication, comparing it, for instance, to a Chinese company, even a Beta franchise in China may deliver contrasting results to what is required in order to facilitate SHRM in a knowledge intensive context, based on the perception of management and knowledge workers.

Another proposal build on our research could be the extension of the research to include also C-level executives, blue-collar workers or other departments in Beta like sales or finances. This might be especially interesting, to gain a more practical understanding of how (S)HRM is perceived, implemented or needed throughout a company. The company leadership could then use that insight to further develop the HRM department into a full-fledged SHRM department. In a study with a wider scope, also differences in the perception of SHRM between knowledge workers in classical KIFs and companies with a knowledge intensive context may reveal interesting insight into the social construction of SHRM.

Finally, we would encourage further research on the issue of how companies with a knowledge intensive context derive suitable SHRM practices for both knowledge- and non-knowledge workers. This could, for instance, be conducted by exploring the idea of having two different kinds of HR, as suggested by one of our interviewees.

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## Appendix

### I) Initial List of what we sought to find out in the literature as well as through the interviews

**Literature review:** (1) What is knowledge work? (2) What is SHRM? (3) How are SHRM and KW connected? Determine how SHRM in a knowledge intensive context can/should be implemented (3.0.1.) From Alvesson and Spicer: Leadership cannot be decided by objective criteria (use as critique to Ulrich's positivist conception of SHRM and argue that it is dependent on the perception of the people in the company if SHRM is strategic (3.1) Establish that it is crucially important to understand how employees see themselves to design and implement SHRM (3.2) Social constructionist perspective: Employees Sense making is coined by how they construct their identity. (4) Clash of the perception of SHRM between Management and employees (4.1) Engineering context (company nature), power.

**Interviews Management:** (1) Find out what management considers to be SHRM and (2) if management sees HR as strategically implemented in AL and (3) probe if certain aspects that define SHRM (found in the Literature research) are evident in AL. (4) What is knowledge intensiveness for the managers? (5) Find out about the managements assumption if ALs work is knowledge intensive or not and (6) about their assumption if Employees see themselves likewise. (6.1) overall Internal/external image: Do they think it is knowledge intensive?

**Interviews Employees:** (1) Assess if the employees see themselves as knowledge workers (to what degree?) (2) Overall internal/external image: Do they think it is knowledge intensive? Additionally scrutinize (3) if they see SHRM as useful/necessary and (4) to what extent they perceive HR as strategically implemented (i.e. crucial to the company's success).

**Overall Result:** According to the matrix below, (1) assess if category 1), 2), 3) or 4) apply to AL. Next, (2) analyze what this means for HRM to be effectively implemented and (3) cross check if AL fulfills the optimal requirements. (4) If not, give recommendations on what (and if possible (5) how) to improve.

### II) Presumed outcomes

#### A) General Assumptions

- 1) Knowledge is a predominant factor in a company's success.
- 2) HR as crucial for reaching company goals.
- 3) Classical HRM is not enough for KW, SHRM is needed
  - 3.1) SHRM should be idiosyncratically adapted to the Knowledge workers self perception.
  - 3.2) Context shapes employees' identify through sense making.

4) We believe that there is a clash of perception of SHRM management between Management and employees. We believe that Management holds an idea of SHRM being more crucial than employees think.

### **B) Interview Management**

1) SHRM involves planning, allocation of resources and is important to company success.

2) We think they believe that HR is strategically implemented to large extent.

3) We believe to find a few differences between academic definitions and the actual implementation of SHRM at AL.

4) We have no prediction as to how managers define knowledge intensiveness.

5) We believe that managers largely think that AL's work is knowledge intensive.

6) We believe managers think that there will be a slight tendency in employees' perceptions to see themselves as knowledge workers.

6.1) We think managers believe that AL has a knowledge intensive image.

### **C) Interviews Employees**

1) We believe that employees have never thought about themselves as (not) knowledge workers.

2) We think employees believe that AL has a knowledge intensive image.3) They do not have a deep understanding of what SHRM is

3) We believe that employees do not give SHRM a high importance.

4) We think that the employees do not believe that SHRM is crucial for the company.

### **D) Overall findings**

We have no prediction about the overall findings.