

Muddle in the middle: organizational restructuring and middle management careers

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Introduction

This article considers current changes affecting the role of middle managers and analyses how 20 individual managers in British Telecom experienced the effects of rationalization and large redundancy programmes. It discusses the impact of restructuring on middle management jobs and careers and looks at how changes in careers following restructuring might constitute a breach of the psychological contract between the organization and the manager. It then uses data from the interviews to see how far these theories are supported by the empirical study.

The psychological contract

The psychological contract defines what employees are prepared to give by way of effort and contribution in exchange for something they value from their employer, such as job security, pay and benefits, or continuing training. It is "an individual's beliefs regarding reciprocal obligations" between themselves and their employer[1,2] and has, at least as far as middle managers are concerned, traditionally been based upon loyalty and commitment to the organization in exchange for employment security and career progression, linked to increases in status and rewards.

In the face of increasing competitive pressures and tighter cost controls accompanied by restructuring, rationalization and a reduction in hierarchies often with low voluntary wastage, organizations are no longer willing or indeed able to promise job security or promotion opportunities in this traditional sense[3]. For some authors this presents a very pessimistic future for middle managers. For example, Scase and Goffee[4] describe changes in psychological contracts between managers and their employing organizations which have left managers feeling that they work harder and under tighter controls, without providing anything in exchange. According to other authors the outlook for middle managers is more optimistic. Millman and Hartwick[5] see an opportunity for a more entrepreneurial role for middle managers built around

the concepts of change management and innovation and Dopson and Stewart[6] conclude that in such circumstances a slimmer middle management has a more important role than before.

The impact of restructuring

Recent reports from the Institute of Management[7,8] have provided useful evidence of the impact of restructuring on middle managers' jobs and careers. In the first survey, four-fifths of the individual managers and two-thirds of the organizations surveyed had experienced restructuring at least once in the last five years. This restructuring had personally affected three-quarters of the middle managers surveyed in terms of increased workloads and increased responsibility. The second survey considers the impact of these changes on middle management careers and concludes that while 60 per cent of employing organizations were satisfied that their career systems were adequate to meet future needs, 84 per cent of middle managers were concerned about the way in which their organizations managed careers, particularly in relation to future opportunities for promotion and developing new skills and knowledge or alternative career paths.

Furthermore, in a recent survey by Doherty and Horsted[9] of 170 personnel and human resource management specialists in 131 financial services organizations, while respondents reported improved performance and productivity after re-structuring, 80 per cent had not measured productivity in any objective way so that it was not clear how much of this was actually due to employees working harder (from guilt or fear) or whether it simply resulted from a combination of having to do more with less, coupled with technological improvements. Indeed, Brockner *et al.*[10] have argued that low esteem and high levels of worry can lead to greater motivation. However, Daniels[11] warns that prolonged worry over the threat of future lay-offs may lead to depression, poorer work performance, absenteeism, alcoholism, and drug abuse as well as reducing motivation. Other authors have argued that anxiety about future lay-offs merely elicits inappropriate behaviour with employees working long hours merely to "be seen" at work[12].

There is much evidence to support the view that hours of work are high amongst managers in the UK. Scase and Goffee[4] reported that most of the managers they interviewed worked an average week in excess of 50 hours. A recent survey in the National Health Service[13] found that managers worked an average of 56 hours per week, and similarly Wajcman[14] found that over 60 per cent of the managers she interviewed in five large multinational organizations worked an average week of 50 hours, while 16 per cent worked more than 60 hours. Another report in the financial services sector, this time by the Institute of Management[15], found that there had been a dramatic increase in working hours with more than half of their 1,316 respondents always working in excess of official hours, slightly less than 40 per cent often or always working at weekends and 54 per cent often or always undertaking evening work. Increasing hours of work are associated with increased stress levels among managers. For

example, the Institute of Management survey found that the majority of managers (63 per cent) had experienced work-related stress in the previous two years. Furthermore, more than 50 per cent of the managers surveyed expressed concern over the impact that work demands were making on personal relationships.

Authors such as Brockner *et al.*[16] have argued that people who survive a round of redundancies often exhibit characteristics such as decreased morale and anxiety, symptoms of “survivor syndrome”. In Doherty and Horsted’s[19] survey it was revealed that while most organizations offered some help to survivors the majority failed to evaluate the impact of changes on their employees and less than half took any steps towards helping the survivors to understand their current place in the “new” organization or their future career prospects. They also found that lack of information and communication from the company about the role of survivors in the “new” organization was a major source of complaint amongst survivors. Organizations tended to communicate about organizational issues rather than issues relevant to the survivors themselves.

Another issue which is important in relation to survivors’ perceptions of the organization following a redundancy programme is the extent to which procedural justice or fair procedures have been utilized[16]. When the procedures by which redundancies were decided upon and then allocated are seen to be fair, then survivors will be less negative about the outcomes of this process. This is a particularly salient factor where survivors perceive career opportunities within the organization to be limited[20].

Somewhat ironically the same pressures that are causing dramatic changes to the role and numbers of middle managers also mean that organizational goals such as increasing profit, organizational growth, even organizational survival are more, not less, dependent upon the innovation, creativity and commitment of these same managers. As Westerly[17] points out, if organizations want a middle management group that is responsive rather than paralysed, then middle managers have to feel that they are included in the important “strategic processes” which take place in organizations, including influencing not only their own, but also their organizations’ destiny. In order to achieve this, managers need to feel central to the organization which would involve among other things, providing redundancy survivors with access to sensitive information and allowing them to participate in organizational decision-making[18].

The debate on careers

In recent years there have been two main foci for debates about careers. The first concerns the problem of promotion opportunities in a context of flatter organizational hierarchies, low voluntary wastage and extensive restructuring, “down-sizing” or “right-sizing”. There has been a shift away from the traditional model of narrow upwards mobility where employees made their way up the promotion steps of a narrowly defined functional ladder. Even those middle

managers in large organizations who always felt powerless “squeezed by the demands of implementing strategies they don’t influence and the ambitions of increasingly independent-minded[subordinates]”[19] did at least have a secure job and could expect if not a rapid, then at least a steady rise up the hierarchy. Security in the future, Kanter argues, will come not from being employed, but from being “employable”.

The second area of focus has been the growing acceptance by organizations that goals such as increased profit, better productivity or even survival are dependent upon the innovation and creativity of their human resources. Such behaviour, it is argued, requires a motivated and committed workforce which in turn is to be secured through the provision of satisfying work and careers, relying heavily on the provision of opportunities for self-development[20]. The implicit assumption of many senior managers is that in order to be committed to an organization, its employees must share the organization’s goals and values. This type of commitment has been labelled affective commitment[21]. While many managers strongly believe that there is a link between commitment and improved performance – the willingness to go the extra mile – research evidence does not support this. As Guest[22] notes, the evidence indicates that there is only a small, positive and marginally significant correlation between performance and commitment. Similarly, the links between commitment and labour turnover, and commitment and absenteeism are also weak. In fact, job satisfaction appears to be more strongly related to performance than commitment is. This is further complicated by the fact that multiple and competing attachments are also possible (for example many employees may be committed to individual managers, work groups, tasks, projects, families, professions) as Reichers[23,24] has demonstrated.

Affective commitment is not the only type of organizational commitment. A second type, continuance commitment, can also be identified[21]. This consists of two separate elements. The first concerns the investments made by an individual in their present organization over time and the types of behaviour which tie individuals to organizations. The second element concerns the lack of attractive alternatives to their existing job. Although individuals who are committed to their organizations in this way may remain with the organization over time, they do not necessarily share the goals and values of that organization, nor do they display a willingness to exert considerable effort on its behalf. They may remain with the organization because they fear serious financial loss from leaving (for example, loss of pension) or because they may fear the loss of family or social ties which might result from geographical relocation. For some of these employees, decisions about the appropriate level of effort will be judged on an instrumental basis – what contributions are commensurate with the inducements provided by the organization. Others may feel that rewards are no longer commensurate with the investments they make, yet remain because there are no opportunities elsewhere or because the costs of moving elsewhere are perceived to be too high. In this sense attachment to the organization might be defined as a negative attachment, characterized on the

one hand by little intention to meet organizational demands and on the other by an intention to remain with the organization.

Since life and work circumstances change, affecting or altering expectations over time, we might expect that in times of recession and rationalization many managers suffer unilateral variations to their psychological contracts which result in a move away from the affective type of commitment towards continuance commitment. Robinson and Rousseau[25] suggest that violating the psychological contract may be a relatively common occurrence. Violation or breach of the psychological contract occurs where one party perceives the other to have failed to fulfil promised obligations. Their research showed that almost 55 per cent of the sample claimed that their psychological contract had been breached by their employer, and that this could lead to serious consequences, such as low job satisfaction, lower performance levels and intention to leave the organization, as well as eliciting feelings of anger and betrayal and eroding trust. Given that Robinson and Rousseau's sample was a cohort of MBA students who were arguably more likely to resign after experiencing a violation than managers in general (if only because of their enhanced marketability) other managers may very well find themselves in a "double-bind" situation, whereby they are "damned if they stay" but also "damned if they leave" the organization.

What is a career?

In relation to redundancy and rationalization the difficulty for the organization is not to violate the managers' psychological contract by breaking promises in relation to careers. A career has been defined as "the evolving sequence of a person's experiences over time"[26]. This definition is useful in so far as it emphasizes change as well as stability and it links the career to the individual rather than merely to the organization. However, careers remain fundamentally a relationship between one (or more) organization(s) and the individual. Both the organization and the individual are important, and careers can be seen from the perspective of both parties.

Derr[27], for example, has defined careers in terms of external and internal careers. The external career he defines as the combination of opportunities and constraints which exist in a given organization. That is to say, the organization's needs and the realities of the labour market dictate what the individual does. This includes not only the formal rules, policies and practices of the organization – the hard systems – but also the soft organizational systems, such as organizational culture. From this, the organization's perspective, we are concerned with career management. In contrast, the internal career is concerned with unique personal career definitions, that is the hopes and plans of individual employees. Schein[18] argues that it is subjective definitions (individuals' attitudes and experiences) which specify for the individual the meaning of success, what path should be followed to success, and by implication what kinds of events will be stressful and disappointing.

Other authors[28,29] have written on the subject of career stages, where different eras of adulthood are linked over time to different adult roles and

associated values. The importance of each role rises and falls over time, implying that organizations need to provide different opportunities for different employees at different stages in their careers. In particular, Bartolome and Evans[30] in their study of 532 male middle managers found that half of them were dissatisfied with the way in which they were investing time and energy in their professional, rather than their private, lives. Not only did these managers have competing loyalties, but the importance attached to them changed throughout their lives. Turning towards private life, however, did tend to lead to a decrease in work investment and vice versa. They predicted that this changing rhythm runs through the life of many managers and that it reflected psychological development as well as the structure of careers and families in modern industrial society.

Herriot[31] links careers and psychological contracts by defining an organizational career as “the sequence of renegotiations of the psychological contract, which the individual and the organization conduct during the period of his or her employment”(p. 8). Successful renegotiations he claims will require four “balancing acts”:

- (1) the organization’s need for people who will respond to change with the individual’s need for support;
- (2) the organization’s expectation of loyalty and commitment with the individual’s need to be treated as an individual;
- (3) the organization’s need to develop competencies across groups of employees with the individual’s need to be an expert;
- (4) the organization’s need to adapt to local markets and to gain knowledge about the environment with the individual’s need for trust in their own labour market segment.

Herriot *et al.*’s research[32] shows how far the reality of organizational practices is from this ideal model, indeed, they comment that organizations

are in the midst of ... profound business changes of the present decade ... their headlong rush into the business future has shattered whatever psychological contracts they had with their shell-shocked employees (p. 80).

This suggests that we should expect to find that in the face of dramatic organizational change the process of balancing organizational and individual needs, the renegotiation of the psychological contract, has not been successful, and that the psychological contract have been violated leading to the kind of behaviour identified by Robinson and Rousseau[25].

BT, change and the telecommunications industry

The case study presented here was designed to address the following issues. First, we sought to discover the impact that a prolonged redundancy programme had on the survivors, were the symptoms of “survivor syndrome” visible and what, if anything had the organization been doing to alleviate these symptoms? Second, we were concerned to discover what kind of changes middle managers

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had experienced in relation to their own jobs and what impact restructuring had had on their attitudes towards their careers and towards the company; had they experienced a breach of their psychological contracts and if so, what had been the result?

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The context

Since 1984 BT has experienced almost continuous restructuring and reorganization in a bid to make the major cultural change from public to private company. Underlying these changes are two major strands of (sometimes conflicting) management policy: the reduction of operating costs and improvements in customer service. At the end of the decade cost-cutting, sought largely through reorganization, culminated in "Operation Sovereign" a re-centralization of decision-making control from the district level to company head office. This involved the dismantling of 27 regional districts and the creation of three new major divisions within the UK – Personal Communications, Business Communications and Special Business divisions – which went ahead despite substantial opposition from the management grades. An important ingredient of this re-structuring was the removal of layers of management; between 4,000 and 5,000 managers' jobs and a similar number of staff jobs. According to Smith and Terry[33] the aim behind this de-layering was to be more responsive to the needs of customers, to create a more "flexible, imaginative and entrepreneurial management culture" and to reduce management complexity and costs. (p.197). This, however, was not the end of job losses. Having already reduced its workforce from 240,000 at the end of 1984 to 156,000 in 1993, it was planned to cut another 15,000 jobs[34]

Human resource management

In trying to reshape its corporate culture from public to private sector, from traditional engineering management to a more commercial, marketing-led management, BT has decentralized its negotiations with the trade unions and attempted to marginalize them by reducing their control over communications between management and employees. The more "traditional" managers in the company who had favoured a consensual style were "encouraged" to go, and a more "professional" style of personnel management became evident with the techniques generally associated with human resource management (HRM) (such as team briefings, quality circles and total quality management) gradually being adopted.

In 1989 a new managerial structure was proposed, which involved the introduction of a new job evaluation scheme. It was proposed that career paths would be developed on a functional basis related to qualifications obtained, relevant experience and job responsibility, but also that there would be an increased opportunity for pay to be related to the performance of high performers. The new culture, with a managerial style best described as unilateral management decision-making, wholeheartedly embraced the techniques and rhetoric of HRM. This was given added symbolic significance by

the appointment of a new corporate personnel director, formerly personnel director of IBM, a company well known for its non-union policies and “professional personnel management”.

Of particular importance here are the organizational career planning systems. From our interviews with senior personnel managers with responsibility for careers and management development and company documentation we were able to construct a picture of how careers were “supposed” to work at BT[35]. Middle managers were encouraged to review their current position on a six monthly basis. In particular they were encouraged to assess the skills they currently had and those which they thought they would need to acquire, as well as looking to the future to consider possible job moves. This involved completing a six stage career plan:

- (1) personal “self interest” inventory;
- (2) skills and current performance inventory;
- (3) aspirations and goal setting;
- (4) exploring your options;
- (5) developmental needs; and
- (6) career action plan.

In order to assist individual managers and their line managers “career planning guides” were provided. The line managers’ guide clearly explains the two-fold objectives of the process: helping the individual realize his/her potential and have a satisfying career; and enabling the organization to make the best use of its people resources. The guide reminds line managers to ensure that their

people understand that the scheme’s purpose is to give them an opportunity to voice career aspirations and preferences and do some personal planning. We cannot, however, lose sight of the fact that these preferences and aspirations will be tempered by the future needs of the business.

The guide also emphasizes that the individual manager retains responsibility for his/her own career. As the management development portfolio manager emphasized, the line managers’ role was to provide counselling, advice and support. This process was meant to operate independently of the performance appraisal process which was fundamentally reward driven, but the overlap of appraiser and career counsellor roles meant that the two could not be entirely independent. Apart from the written guidelines, no formal training in career planning or counselling was mandatory for middle managers or their line managers.

Data collection

British Telecom provides a rich environment in considering middle management career issues. It is an organization that has seen immense change and one that prides itself on its people management. While it is perhaps an extreme example the type of changes occurring in BT are common in a wide range of other

organizations. In addition, it provides useful information about the changing impact of market pressures as an organization moves away from the public into the private sector.

The data collection was based on a triangulated approach, that is using data from press cuttings and company documents; previous empirical research on BT; and interviews with senior and middle management. This enabled us to piece together a complex set of factors which impact on middle management and careers in BT. However, it must be pointed out that the process of extracting information from BT was nothing less than painful. Despite apparent and continuing interest from BT, persuading the personnel function and senior managers with a responsibility for career management to provide us with formal documentation, facts and figures was dispiriting and in the end only partially successful. To some extent this was due to the high turnover amongst our senior management contacts, but was probably also influenced by the climate of fear and uncertainty at BT. The middle managers we talked to were, perhaps surprisingly given such a climate, much more helpful in the research project. Given our own experience in trying to find out about the organization's formal career management processes we were not surprised at some of the views expressed by middle managers we interviewed.

Semi-structured interviews were undertaken with 20 middle managers (14 men and six women) selected randomly, but controlling for gender, length of service, organization function and geographical location. In particular we sought: an equal number of managers who had been with BT before "Operation Sovereign" and who had joined the company more recently; a mix of men and women who reflected managerial employees generally in BT; and we focused on London and two regions, Birmingham and Swindon. "Middle managers" in BT were defined by BT as falling within grades MPG 3 and 4, and PCG U and V. We also interviewed the senior personnel managers with responsibility for career management and the management development portfolio manager.

Interview results

The impact of restructuring and redundancies

These questions were designed to discover what it was like to be a middle manager in BT and whether the broad organizational changes that had been taking place had had an impact on the day-to-day jobs for most middle managers. The 12 managers who had been at BT prior to 1990 were able to draw sharp contrasts about what it was like to work at BT before "Operation Sovereign" and what it was like now. Our interview findings reflected changes occurring in other organizations in terms of increased work load and having to meet more stringent (and in some cases for the first time) budgetary and quality targets.

Prior to "Operation Sovereign" BT was portrayed as being very flexible in moving staff, facilitated by a thriving *Jobs Gazette* which advertised a wide selection of jobs. It was a time of "high security", "certainty" and "predictability". People expected to move up the job hierarchy, indeed there were high

expectations of career movement. The fact that interviewees had been able to change jobs (some as often as every two years) was frequently given as a reason for joining the organization. The main career aspiration of the majority of middle managers we interviewed was clearly a job at headquarters in London.

Our interviewees spoke of the old days in BT with affection and their views can be summarized in the following quotation from one of our sample:

There was very little worry about budgets, no-one would worry if you went outside of it. You were given more authority and responsibility....To be successful, you weren't totally dependent on achieving your objectives...you weren't totally accountable.

Since good performance in the job role was an important factor in promotion, and therefore career progression, this was seen by many managers to be a significant change in the way that careers were managed. The changing emphasis in middle management jobs towards greater accountability and responsibility has been matched by a change in the criteria of success the company applies to middle management work. "To be a successful middle manager now, you have got to achieve a set of objectives that never existed two or three years ago...You now must achieve these objectives with the minimum resources...'No' is not accepted any more" and "senior managers want to see you prove yourself...they are not prepared to act without proof of performance ... you have to prove your worth".

Success had also become more clearly differentiated, so that good performance was defined differently by different people within the organization: "success depends if you are talking to someone on the control side or the developmental side of the business. With control, it is the amount of money you save, on the development side, it's skills and risks". Senior management was now deemed to be more ruthless than in the past "the implication is that 'if you don't do it, we'll get someone else who will'" and BT was also thought to be an organization driven more by money. Training and development, although promised, were in reality not available because managers did not have the time to do it. This presented particular problems for managers since the company saw it as the managers' responsibility to decide on training needs (the appraisal process was primarily linked to pay) and attend training courses: "we are asked to do a lot more work we are not trained for and that is a worry, it is all extra. When you go along to express concern, they say you have to prioritize".

The notion of being visibly committed was often cited as a success factor leading to improved career chances: "you can never undo your tie, never relax and the key measure of success is the number of hours worked". However, there was a strong feeling that the extra hours worked were not really necessary, merely that it was important to be seen at your desk for long periods of time. This led one manager to suggest that "BT operates a culture of pretence".

An increase in the number of hours worked cannot be considered in isolation from family demands, and a number of interviewees commented on its damaging effect on family life. Some managers however had made a decision to prioritize their families over their careers:

I have young children, it is a full-time job getting home to sort out their problems. I was ambitious early on when I was a technician and it ground to a halt with my family situation. When you look at my bosses' hours, it puts my life into perspective ... My contract is only for 40 hours. I put in 48, I don't want any more.

A clear consequence of this decision was that it would probably affect future promotion opportunities, but the managers in question firmly believed that if promotion meant working longer hours then they were not interested in promotion. This was not a factor which was particularly related to age, perhaps not surprising given the changing social environment. Indeed, in so far as there were any differences amongst our sample, age did not play a significant role.

Another common problem for survivors was highlighted by our interviewees. The fear of losing one's job in a future round of redundancies was a very real fear. It was also a factor curtailing debate on how careers were handled within BT, both at a policy level and an individual level. One manager eloquently captured a number of comments when he said:

Debate can be career-limiting, because if you choose the wrong ear to spill the beans, then that consideration is there too. There are big potential disincentives in exploring anything too wayward, because when it comes to dishing out the bonuses, [you] may be penalized because you have not shown visible signs that you were committed to BT and a career within BT.

A few managers commented that career management in BT was "dispassionate" and that there was a lack of appreciation of the emotional investment often made by managers in their work at BT. One elaborated: "a lot of people's relationships are purely professional, they aren't concerned with the emotional side. If you are not achieving, they will jump up and down, but if you are doing well, they leave you alone. The fact that you may not have been doing as well as you might, just doesn't enter into it".

Most of the interviewees commented on a lack of information provided by the organization about their role and future in the organization and about their feelings of lack of control. Several of the managers mentioned that they would like more discussions with their line managers about what was happening and better communication in order to inform their decisions about careers. A few said that they would like a culture where it was safer to take risks and to innovate and take responsibility for their jobs. Most would like more control over their work:

I find it frustrating, BT is such an enormous company, it is like shifting sand all the time and you can never feel that you can actually get to the bottom of things. It's frustrating, you can't touch things.

In fact, talking about careers rather than jobs for most of our sample was frankly a luxury. The feeling that one was lucky to have a job clouded most people's thoughts on careers and BT.

Renegotiating the psychological contract – the balancing act?

Here we were concerned to determine how employees viewed BT's career planning processes, whether career management had changed and if so how did managers feel about these changes. Many interviewees accepted that the "old"

system whereby managers were interviewed in order to assess their suitability for promotion (the promotion board system) did not work because “we ended up with a lot of square pegs in round holes”. However, people were unclear exactly what had replaced it. The system whereby people are selected for a new job or a promotion was reported by our interviewees as being confusing. Interviewees were asked about a range of HRM topics, performance development plans (including the six-stage process outlined above), appraisal systems, management development and equal opportunities, but responses to specific questions were hazy. While some interviewees had clearly been asked to prepare personal development plans (PDPs) as part of the new six-stage plan, there was much confusion over the status of such plans, since realistic opportunities within the organization did not appear to provide a context within which personal development planning could take place. Interviewees perceived little connection, if any, between PDPs and actual job moves, indeed, they did not believe there were any realistic opportunities for movement within the organization, either lateral or vertical. For example: “I think PDPs are a good thing, but I can’t see the point if there is nowhere to go” and “Management development, personal development plans are all OK, but it really depends on the opportunities available”.

Career opportunities were thought to have significantly decreased after “Operation Sovereign” partly because those senior managers left at BT were unlikely to leave their positions in the light of the recession. The consensus of opinion from our interviewees was that there were no clear career paths for middle managers (although two or three managers mentioned this was less true for finance and sales and marketing). Most interviewees felt they had to “create a career path” which was a significantly new management activity for them: “... you have to precipitate action yourself, usually by threatening to leave, or applying for another job within the organization”.

Several interviewees commented on the need to change career development in BT from a vertical approach to a horizontal approach, using scope offered by pay packages. Rather than seeing careers as linear progression, or a way of climbing the ladder, they had to think of broadening their skills and responsibilities within the same managerial grade. Some potential career paths were also identified, such as the notion of filling “dead men’s shoes” or “promotion by the back door”, that is being promoted because your “face fitted”, or you were “good mates with the senior manager”.

Individual career planning

Many interviewees commented on the fact that it was not the systems that were important, but rather your contacts within the organization: “how you get on in BT is by who you know rather than any structured plan”, “it was a case of ... making contacts and getting to know the people and instilling in them faith in me”. The influence of a particular senior manager could have a very large effect on a career prospects in terms of who was recommended for jobs and the most

important person in terms of networking was often the middle manager's own line manager.

Visibility and networking went hand-in-hand, in that it was key to be "seen" doing your job and doing it well: "it is all about visibility. I am trying to get organized so that I can have three days in the office shifting work. I want two days out of the office, one to make myself visible to the people who work for me, and one to make myself visible to the people I work for". Furthermore, it made a difference whether or not you were in the regions, or in London. In terms of visibility, London was the place to be. Outside of London the chances of being able to network or being seen by the right people were very small and the chances of promotion thus limited: "I knew I had to get to London. In London they tend to promote people more". In fact, none of the interviewees in London were willing to consider a move to the regions and most of the interviewees in the regions would have welcomed the opportunity to be in London. Luck and/or personal drive were also important factors in career moves. Being in the right place at the right time was seen to key: "it is wrong to talk about strategies, it is pure luck what happens to you in BT", "it's pure drive, it's personal ambition, it's being in the right place at the right time".

Was the psychological contract violated?

For a few managers the only option they felt they had, either to improve their job position or to feel more content as individuals, was to leave BT. One interviewee summed up the extent to which a mismatch between his and BT's expectations (a breach of the psychological contract) had affected him and his work and the difficulties surrounding the decision that he had made:

In order to manage my career, I really have to leave, I want to take control of my work experience ... I went home drained and unhappy at BT because I gave people what they wanted ... I worry how I will be seen by other employers, but I hope it brings out some of the qualities in me that haven't really been required to be exposed ... I want to test my ability to handle change and uncertainty.

However, very few of our sample had been tempted to look outside BT for jobs; partly this may be explained by the current recessionary climate. For the majority, BT was considered to be a good employer and staffed by good people: "I think the company for me is the people you have worked with, that's where your loyalty springs from".

Nevertheless, managers who had joined BT before the rationalization process began did express the view that the organization was no longer prepared to deliver what it had originally promised. One manager argued:

... people who have been in BT, man and boy, expected after a certain amount of time, to progress through the grades. Whereas ... now you have to think "well I'm not going to get promoted unless I do something to show that I deserve it".

Summary

Most of our interviewees felt there was a lot of talk about career paths within BT; some even felt that senior management thought it was happening on the ground,

that the formal systems were working. Only a few were optimistic that they would make some progress career-wise within the next few years. Most expected to muddle through. The general feeling was that middle managers are staying with BT because they earn a good salary and, relative to other organizations, the survivors do have a measure of security, although this was thought to be fragile. In this sense managers expressed continuance rather than affective commitment. At present with no attractive alternatives to their existing jobs at BT these middle managers intend to stay. However, should the labour market improve the situation may change dramatically since most of the managers in our sample expressed an intention to leave BT should another attractive alternative arise. As one manager said: "I am quite happy to give myself to an organization if I get something back in return".

In terms of career there was a grave despondency that things would get any better. It was considered to be a static situation. At least one manager commented that when recession lifts, BT will be "in a pickle", it will be left with a lot of dead wood, "we are a very demotivated company at the moment". Clearly these managers would share Westerly's[17] views about the need to involve middle managers in the strategic processes of the organization if they are to be more than merely a paralysed group.

Discussion

"Survivor syndrome" and breach of the psychological contract

The symptoms of "survivor syndrome" were evident amongst BT managers in that, following the prolonged redundancy and rationalization programmes, managers felt demotivated, they were working longer hours, they were complaining of a lack of information about their role in the organization and were experiencing feelings of lack of control. There was also evidence that for many managers, particularly those that had been at BT for more than five years, the basis of the psychological contract and in particular promises made about careers in exchange for hard work and loyalty had not been kept in the face of de-layering and job losses. Nor had BT been able to convince its middle managers that the contract had been renegotiated in an acceptable way. Although only one manager from our sample was leaving the organization of his own volition, all but two of the sample expressed an intention to leave should an attractive alternative present itself. BT had not therefore been successful in terms of achieving an adequate balance between organizational and individual needs. Indeed several managers had decided to change their priorities, putting their families first and reducing their visible working hours, regardless of the impact this might have on their future promotion opportunities.

Career management and HRM

The evidence from our case study suggests that although the formal career management processes exist in a sophisticated form on paper, in practice they have ceased to operate in a situation where reductions in wastage and turnover have simultaneously reduced opportunities for internal job moves and led to a high degree of uncertainty over careers. Meanwhile, the ensuing vacuum has

been filled by a variety of responses from individual middle managers who rely heavily upon what can be termed “informal” systems of career planning. This of course may be entirely legitimate in its own right. A problem only emerges as a result of the mismatch between the rhetoric espoused in the company documents and by senior personnel managers and the reality as experienced by middle managers.

The case study evidence suggests that different individuals respond to this vacuum in different ways. Those who have the ability to accept and indeed enjoy the demands of networking and visibility progress via the informal systems within the organization. For these managers there is perhaps an optimistic future. Many managers however feel that they are stuck in a situation which is continually demanding more in terms of hours and skills, without the support of proper training and development. Some, as yet only a few, are finding the conditions such that they have no alternative but to seek employment elsewhere, even in the current economic climate.

If organizations are concerned to improve the morale, commitment and work performance of their survivors, then they need to be more concerned to see that policies that exist on paper also operate in practice and to be more aware of the organizational constraints within which these policies have to operate. Furthermore, organizations and particularly those in the personnel or human resource profession need to appreciate the importance of focusing support for survivors on issues relevant to survivors, particularly issues to do with the emotional responses of individual managers and their needs for more relevant information and inclusion in decision-making processes. The cost of not taking these steps can be seen in terms of loss of job satisfaction, poorer work performance and intention to leave.

The psychological contract

Focusing on the psychological contract emphasizes the importance of balancing both organizational and individual concerns about careers. Unless personnel and human resource managers understand this and provide the necessary support for individuals in the re-negotiation process, then restructuring and redundancy may have a lasting damaging impact on job satisfaction, motivation and the desire to remain with the organizations. This is especially important for those organizations who are still seeking loyalty and commitment from their employees, even though they are unable, or unwilling, to provide job security in return.

Limitations of the data

One problem which the research project encountered was that of researching in an organization which is undergoing severe rationalization and the difficulty this presents in obtaining access to “sensitive” but relevant data. Although difficulty in obtaining data should not prevent researchers from attempting the task, its effect on the outcome of the project needs to be recognized. In this case, there was extreme difficulty in trying to find out information about the scale of middle management job losses, and how formal career management systems were

operating in practice after the “Operation Sovereign” reorganization. While the data gathered from interviews would suggest that the latter was difficult to find because it was not happening in practice it is difficult to be confident about this in the face of the difficulty in obtaining other information from the personnel function.

While the findings from this case study are extremely interesting in that they provide support for current theoretical perspectives as well as yielding additional information about the way in which middle managers perceive and manage the diminishing opportunities for traditional career progression arising from organizational restructuring, we must acknowledge the limitations of a piece of research based upon a relatively small sample of middle managers in one organization. While it is important to test out theory in a relevant field setting, rather than relying for example on MBA cohorts as a source of data, nevertheless these findings cannot be used to make generalizations about what is happening in other organizations. It provides an illustration of how redundancy and rationalization are affecting the lives of 20 middle managers. There is a need for further case study work in a variety of different types of organization before we can tell whether other organizations and other managers have found alternative ways of responding to the problems and issues highlighted in this case, ways which do not have the same impact on the psychological contract and therefore on employee commitment in the organization.

It is also difficult in a single case study to capture more than a snapshot of the organization. Given the importance of the range of personnel or HRM practices in contributing to employee beliefs in a psychological contract with their employer, and the importance of a relationship over time, more longitudinal research following the organization and the individual through joining-up process and then through a series of renegotiations over time would give a much clearer picture of the processes involved.

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