

ROUTLEDGE



WORK, CHANGE AND COMPETITION

Managing for Bass



DAVID PREECE, GORDON STEVEN
AND VALERIE STEVEN

ROUTLEDGE

**Also available as a printed book
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Work, Change and Competition

The public house retailing sector is one which has been relatively neglected in the mainstream academic literature, and yet one which makes a substantial contribution to the economy, not least in terms of the number of people it employs. This book presents an in-depth study of organizational change and innovation in one of the UK's leading retail leisure companies. Based on a remarkably deep level of company access, the authors provide a fascinating longitudinal study of the management process in action—both the formal, 'on-stage' aspects of strategic change and the informal, political behaviour of those involved.

Subjects covered include:

- the changing contexts of the public house business;
- from management to managing;
- change processes and politics;
- control and empowerment;
- gender and public house management.

Work, Change and Competition will be essential reading for students of organizational change, as well as all readers interested in the changing nature of management/managing and organizations.

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Work, Change and Competition

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Valerie Steven**



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This book is dedicated to the pub managers in Bass Taverns who, almost in spite of the machinations in administrative behaviour, organizational structure and policy shifts above them, managed to continue to satisfy their customers and run good pubs.

...and to Maureen, Laura and Jamie.

...and to Doreen. Michael and Katherine.

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Above all else we are grateful to the hundreds of pub managers who put up with us and our participant observation methods over the years.

Glossary

AC	Assessment Centre
BA	Business Administrator
BLRA	Brewers and Licensed Retailers Association
BPR	Business Process Re-engineering
BRS	Bass Retail System
CAMRA	Campaign for Real Ale
Dry/dry-led	Food products
DTI	Department of Trade and Industry
EPOS	Electronic point-of-sale computer system
'Free-flow'	Non-metred beer, where the beer is pulled into a measured glass and the head is an integral part of the measure
Hostelry	<i>see</i> 'outlet'
LHM	Licensed House Manager
LOM	Leased House Manager
MMC	Monopolies and Mergers Commission
NALHM	National Association of Licensed House Managers
NRI	New Retailing Initiative
OD	Operations Director or Organization Development
On-trade	Within public houses
Outlet	Public house or hostelry
RBM	Retail Business Manager
RCA	Retail Control Assistant
RD	Retail Director
RMD	Regional Managing Director
ROM	Retail Operations Manager (Charrington Taverns equivalent of the RBM)
RBA	Retail Business Administrator
SBA	Senior Business Administrator
TQM	Total Quality Management
Wet/wet-led	Drinks (beer, spirits, juice, wine, etc.)

1 Introduction

The genesis of the book

The genesis of the book can be traced to a telephone call from Gordon Steven to David Preece, during late 1992. At the time Gordon was working for Bass Taverns, and was about to become a leading member of the Change Team which the company was establishing; David Preece was (and, indeed, still is) a lecturer at the University of Portsmouth. It went something like this (after the usual pleasantries):

GORDON: Dave, I think you might be interested in getting involved in researching a change initiative which is about to begin in the company. I'm on the Change Team, and you would be able to work with me as the project develops...

DAVID: You've got my interest, please tell me more.

GORDON: Well, it's very early days at the moment, but it looks like BPR (Business Process Re-engineering), organizational restructuring, technical change and quality management will be all part of it.

DAVID: What sort of access will I have?

GORDON: Well, of course, you would get excellent access through me and other people I know, and it will definitely be necessary to spend a lot of time in the pubs, interviewing managers and other staff...

DAVID: Count me in (draught Bass had always been one of my favourite beers in the Midlands).

The third member of the research team, Valerie Steven, was quickly enrolled for her expertise in Employee Resourcing/Development and Gender and Organizations. And the first meeting of what we later came to call the 'PINT (People, Innovation and Technology) Group' took place at the Wheel, Oadby, shortly thereafter. We have more to say towards the end of the chapter about the research design and methodology which emerged, but it is important to provide first of all an overview of the book and its theoretical orientation and focus.

Core concerns and themes

This is a book about organizational change. Connected to an overview and analysis of this phenomenon, it also has things to report and say about such matters as

2 *Introduction*

management and managing, organizational restructuring, teamworking, gender and management, technical change, performance and change management. The core themes which run through the book (and which are reflected in the book's title and the 'topic' examples just provided) relate to the management (the meaning and nature of management and managing are discussed in chapter 4) of change and its reception and outcomes. This needs unpacking. We take a 'processual-contextual' approach (discussed in detail in chapter 5, along with an overview and evaluation of other perspectives on organizational change) to the analysis of change, in that the starting point (which, of course, is always somewhat arbitrary—organizations and organizational contexts are always changing) is an examination of the sector within which the company is located, and how it has been changing during the 1990s. It will be shown in the early chapters that certain developments—some of a radical nature, some of a more incremental nature—overlaid upon each other during this period and played a significant role in 'triggering' the emergence of a concern on the part of managers about the ability of the organization to respond effectively, given, especially, the short time-scales for change and restructuring which had in effect been imposed. This led to the recognition that it would be necessary to initiate a search for and examination of suitable responses, which in turn implied a requirement for the allocation of resources to undertake this work, that is, the formation of a change team which brought together the necessary expertise (supplemented by external expertise in the form of a company of management consultants). It was also recognized that there had to be a front-end loading of resources.

In order to appreciate the nature and implications of this organizational change in Bass Taverns, it is necessary first of all to outline the external contextual changes which took place over the time period we are considering (1989 to late 1996), for they, and especially the DTI (Department of Trade and Industry) Beer Orders of 1989, played a major part in triggering what fairly quickly emerged as a radical organizational response on the part of Bass PLC and Bass Taverns. Following this, in chapter 3, we then describe the company as it was at the point at which possibilities for change were being considered—if for no other reason than this was the organizational configuration (structure, working practices, culture, job designs, etc.) which would need to be addressed by senior managers and the change agents. Chapter 6 discusses in some detail the emergence of a change strategy within Bass Taverns, the various projects and trials which got under way, and the Change Team itself and how it went about its work and addressed the problems it faced. It concludes with a review of the implications of change for the hosteliaries, and the pub managers in particular, and some observations on the politics of change. Chapter 7 considers the organizational restructuring options which were identified and assessed, the one which was chosen—and why it was chosen, moving on to look at the reaction of senior management to the restructuring model and some of the associated political behaviour; it concludes with an overview of the launch of the New Retailing Initiative (NRI), which had emerged out of the pilot trials. By this time it had become clear to some senior Bass Taverns managers and Change Team members that one important implication of the radical nature of the changes now developing in embryonic form, was that the existing

organization structure would need to be reviewed in order to assess its 'fit' with the former: in brief, would it support and underpin the changes, or would it get in the way of them and act as a 'carrier' of the 'old ways of working'? This implied an examination of alternative ways of structuring the company and their relative merits and disadvantages with respect to supporting and facilitating the 'new regime' which was emerging from the pilot studies.

Chapter 8 is the location where we have placed the bulk of our primary data relating to what the retailing staff thought about the changes, or 'new ways of working'; 'retail staff' here meaning the public house managers (LHMs) themselves, their immediate managers, and the specialist financial controllers in the regions. The discussion and analysis is structured around a review of our data in terms of the different, key, aspects of the changes—teamworking, empowerment, new roles and relationships, technological change, etc. There was (and is!) a significant and interesting power dimension to many, if not all, of these changes, and so we also discuss this matter in chapter 8. We also have something to say about change and senior (that is, Head Office/Board) management, for the change here was pretty dramatic. Of course, there is an important gender dimension to organizations, change and management/managing, and so we present and analyse data relating to this at various points throughout the book, but especially in chapter 8. Chapter 9 provides an evaluation of the financial and economic success or 'outcomes' of the change programme. In the concluding chapter which follows, we return to re-examine the key themes and issues raised in earlier chapters in the light of the subsequent presentation of our findings and analyses with regard to the changing nature and experience of work in the contexts of radical outer contextual change and the implementation of a radical internal response, focusing mainly (but by no means exclusively) upon those employees who had the key responsibility – and opportunity—to 'make or break' the NRI: the pub managers.

Having provided a glimpse of the main themes and issues addressed in the book, the next section will outline the research design and methodology which was adopted. This is followed by an outline of the structure of the rest of the book

Methodology

The primary data upon which we report in the book was gathered over a five-year time period, beginning early in 1992. We have benefited from having a range of expertise and jobs within the authorship team of three people, as referred to at the beginning of the chapter. Because of Gordon Steven's senior position in the company, and his extensive experience of working in both the company and the sector over a long period of time, and, not least, his appointment to a leading role in the Change Team at a very early stage of the initiation of the change programme, we had the benefit of excellent access to a wide range of people within the company, from Board level to bar staff. As Linstead has observed, 'Managers are constantly embedded in fruitful research settings in their own everyday working lives, yet they only very infrequently take advantage of this situation. They find it difficult to interrogate that which surrounds them. Similarly,

they all have ethnographic skills to some extent and all are capable—with the right support—of developing them...’ (1996:25) and, later, ‘There is no extensive tradition of sociological participant observation in management research. Where the participation is total the involvement with management is usually partial, and where the involvement with management is total the participation is partial’ (1996:31). We believe the primary data and analysis of the present book will prove to be an exception to this rule.

We took an early decision when writing this book to confine ourselves to reporting upon managers’ work—this is, after all, a book about ‘Managing for Bass’—as they themselves have discussed it with us, and as we have observed managerial activity in operation. Collecting the data has involved us all in visiting public houses throughout the UK, from the north of Scotland to the south coast of England, and from Liverpool to Sheffield, including, of course, various places in between, not least London. In the process we have interviewed, observed and surveyed, both individually and sometimes collectively (for example, through attendance at Focus Groups and Team Meetings), a wide cross-section of managers, from senior Head Office and support staff to regional Retail Directors and specialists, Retail Business Managers, and, above all else, the Licensed House Managers themselves. Within the confines of the present book it is only possible, unfortunately, to present and report upon a fraction of this data; we hope to draw on the other data in future publications. So, for example, we have only been able to describe, let alone reproduce, report upon and analyse, a few of the questionnaire surveys. Some of the material has already been published elsewhere or presented at conferences (see, for example, Oram and Wellins 1995; Steven and Payne 1995; Preece *et al.* 1996a; Preece *et al.* 1996b; Steven *et al.* 1998), and this has given us the benefit of the comments of a range of readers and listeners, which we hope we have been able to take into account in the text; but for the great majority of the data, this is the first time it has been presented.

A range of research methods have been employed in gathering the data which is reported in the book. In summary terms, this consisted of (i) questionnaire surveys, (ii) interviews, (iii) focus groups, (iv) participant observation, and (v) documentary analysis. Let us briefly discuss each in turn.

Questionnaire surveys

Four main questionnaires were drafted, distributed and administered in the company by Gordon Steven, who played an important part in this process, and was advised by the two other authors of the present book. The majority of the questions, which amounted to around twenty-two in total, consisted of Likert-type scales, where respondents were asked to signal their degree of agreement with a statement by circling a box on a one-to-five scale. Each questionnaire also had two open-ended, ‘qualitative’ questions, where respondents were invited to add any further information. David Preece and Valerie Steven analysed these responses, whereas the former ‘Likert’ questions were collated and analysed using computer software and hardware.

The first two questionnaires had the primary objective of discovering what the Licensed House Managers (LHMs), Business Administrators (BAs) and Retail Business Managers (RBMs) (or their equivalent at this time in the case of the BAs and RBMs) thought of the various restructuring ‘pilots’ which were introduced into what were then two of the Bass geographic regions: Charringtons (London and South) and Sheffield. A third region—M & B (Midlands)—acted as a control group (the pilots are described in detail in chapter 7). In each case, questionnaires were circulated to all the three categories of staff in these three regions, and the ‘returned and usable’ percentage was always at least 80. The first of the ‘pilot’ questionnaires was distributed in October 1993, a matter of a few months after the launch of the pilots, and the second in February 1994.

The third and fourth questionnaires (referred to as the ‘First and Second National Surveys’) were designed to find out what the LHMs, RBMs and BAs thought about the New Retailing Initiative (NRI), being the name originally given to the strategic change initiative which the company decided to introduce throughout its managed house estate, and which emerged from the pilots (again, see chapter 7 for details). These questionnaires, therefore, were distributed to all the company’s managers who were holding the above jobs. The ‘returned and usable’ percentage was again over 80. Questionnaire three went out in January 1995, and questionnaire four in December 1995. As with the pilot questionnaires, there were twenty ‘Likert’-type questions, and two qualitative ones (the latter again being analysed by Valerie Steven and David Preece). A ‘policy’ decision was taken before the first questionnaire went out to ensure that the great majority of the questions were retained throughout all administrations, in order to facilitate comparisons between the results in each case from the second questionnaire. This meant in some cases that there was a slight changing of wording (for example, rather than asking respondents what they *anticipated*, the following questionnaire would ask them what they *found* under certain headings).

We have therefore collected similar data over time to give us longitudinal insight and process understanding. The response rates to the four questionnaires referred to above were very high, never being below 85 per cent. How was such a high response rate attained? We believe it had much to do with the mode of distribution, completion and collection which was used. District meetings were used as the vehicle for distributing the questionnaires, the managers being asked to send them back in envelopes which had been marked ‘Private and Confidential’ to the university authors. The way in which this typically happened would be that in a routine district meeting a short briefing would be given about the purpose of the questionnaire by a Retail Business Manager or Retail Director. The pub managers were then given the questionnaire (usually at the end of the meeting, when they had a glass of beer in their hands) and were asked to spend five to ten minutes completing it. The questionnaires were then collected and posted back directly to the researchers.

A short questionnaire was also distributed to members of the Hospitality Retail Employers’ Group during the spring of 1996 in order to establish the percentages of female and male LHMs, Assistant LHMs and Relief LHMs in each pub retailing company represented there. Overall figures were broken down into separate figures for Scotland and England where appropriate. Following this, a sixth questionnaire