Rethinking the Application of HRM's Configuration Perspective in Organisational Failure Contexts: Contributing Resilience Innovation Model and Resilience Innovation Capacity for SMEs' Sustainability

John Mendy (jmendy@lincoln.ac.uk)

Lincoln International Business School

University of Lincoln

UK

Abstract

The pressure for firms to utilise their human and non-human resources innovatively when challenged with organisational failure has led to a gap in HRM literature, which is how to do so effectively as well as resiliently. The problem is that the HRM literature's assertions of how beneficial the traditional configuration and emerging resilience perspectives may help in alleviating impending organisational failure has been neglected in SME research. This paper's research results are based on an empirical, qualitative survey of 85 staff and managers from four UK-based SMEs. The results contributed to the development of a 'resilience innovation model' as contribution to the emerging scholarship on resilience as well as to add resilience capacity to HRM's configuration perspective. This led to my second contribution, which refers to the concept of 'resilience innovation capacity'. The model and theory will firstly facilitate the development of human capacity in four ways and its innovativeness is found in how it provides an alternative to management's reactive utilisation of the configuration perspective in the four SMEs that were challenged to fail. Secondly, it will also help identify and prioritise aspects of human capacity that could benefit from resilience development and thirdly it shows how SMEs can innovate-in-practice when their capacity development is threatened by systemic failure. I therefore address a capacity development gap for SMEs, a configuration-resilience theorisation deficit in HRM literature, HRM research's oversight of a much needed resilience model and theory and the enhancement of SMEs' sustainability. The limited number of firms, predominantly SMEs, and the regional-centric focus of the survey are the study's limitations. Implications of my propositions and a future HRM research agenda are identified.

Keywords: failure, configuration, resilience, development, HRM, model

Introduction

Apart from having to develop managers' competency, one of HRM's fundamental challenges is how to build overall human capacity (Dykes et al., 2018) in a way that addresses the problem of ineffective and inefficient resource utilisation. One of the models that has been proposed to do so in HRM is the configuration model. These issues highlight HRM's skills capacity problem, which has led to organisational failures especially in the context of mergers and acquisitions (Sverdrup & Stensaker, 2018). This often entails having to do more with an already constrained set of personal and organisational resources (Cunningham, 2010). The situation becomes even more concerning with SMEs whose resources have been fundamentally constrained to such an extent that when faced with such capacity building challenges their ability to innovate in order to avert failure becomes even more challenging (Amankwah-Amoah, 2016). Despite SMEs' lack of economic and human capital (i.e. lack of skills and expertise - Higgs & Dulewicz, 2014), the extent to which they develop human capacity in organisational failure contexts has been neglected in HRM despite previous scholars' acknowledgement (Conz et al., 2017; Bach & Bordogna, 2011, Ram & Edwards, 2003). Moreover, we do not know how this may apply to SMEs that may need such interventions the most given the challenges identified here and in the literature. Although previous scholars have acknowledged, directly or indirectly, that resilience capacity development might help SMEs out of their resource building challenges, superficial mentions of mending broken employment relationships (Dirks et al., 2011) has only surfaced more fundamental challenges that SMEs as well as larger organisations face in developing employee engagement plans (Fichter et al., 2011; Lindgren et al., 2014) that could help in this regard.

The emerging literature appears to suggest that organisations need something more than resource building and competence development if they are to outlive the challenges (Miller et al., 2018). Whilst some studies have pointed to structurally adapting organisations and their operations (Hobday, Davies & Prencipe, 2005) there is an emerging stream of scholarship which suggests that resilience creativity might be the answer to the challenges (Alacovska, 2018). Therefore the problem of human capacity development as identified in HRM literature and research should shift towards a focus on how HRM research can address the fundamental problem of organisational incapacity or lack of practices that highlight innovation in the way the wider organisational systemic level problems of competence and resource development are dealt with (Auer & Cazes, 2000; Rahman & Mendy 2018). Given its recognition in the

literature as a problem of research and organisational practice (Schumpeter, 2000), it is therefore worth examining further.

I define resilience capability development as the ability for staff and management to bounce back from the challenges/constraints arising from the ineffective and inefficient utilisation of meagre organisational and individual resources to mitigate against organisational change implementation failure (Klein & Knight, 2005). I develop a model that will be appropriate in dealing with the challenges as well as facilitate human capital resilience development in a way that the configuration perspective has not dealt with in firm survival (Jarzabkowski et al., 2018; Smith & Tracy, 2016). To achieve my research aim, I focus of what happens to SMEs as they utilise HRM's configuration model reactively to deal with the challenges posed at the three systems levels – organisational, individual and management (Dirks et al., 2009) in four SME situations.

I contribute four-fold to the-afore- and succeeding theoretical discussions and debates in the following way. First, I identify that there is a gap in the merger and post-merger discussions which is the fact that there is, to date, no model that highlights how HRM can resolve the shortcomings of the configuration model's application as current literature and research focuses on the role of organisational structures whilst failing to resolve the power imbalance-working relationships triggered as a result (Miller et al., 2018; Mendy & Rahman, 2019). I use such an overemphasis on managerial development to highlight the HRM literature's neglect of the benefits of resilience development in overall human capacity development. This is a precursor to firstly, develop a new model, namely 'a resilience capacity development model' which highlights the literature's missing resilience aspects and the problematic nature of management-employee-interactions that have partly created such a system. Additionally, proponents of the configuration model ascertain that an organisation's structures should be configured or matched to its' human capacity and operational system for it to be effective and innovative (Auer & Cazes, 2000; Alacovska (2018). However, there is limited knowledge how such configuration is enhanced. To help resolve this problem, I develop and contribute a new theory referred to as 'resilience innovation capacity' and explain its characteristics and beneficiary contributions to the HRM literature on overall human capital/capacity development (Miller et al., 2018). Third, what I propose is key to the HRM debates and literature on the gap that has been left unfilled in addressing organisational failure-type challenges especially for SMEs given their resource limitations and their heightened need to tackle the potential failure

caused by the challenges. In my next section, I focus on the sources of my theoretical appointment and develop further what has been missed through an insightful analysis of the theoretical sources leading to the selection of data collection methods, the analysis of the findings and an indication of the study's implications and future directions.

Literature review: Configuration Perspective

Configuration enthusiasts ascertain that the issue about capacity development can be resolved once an organisation's structures are aligned to the ability of staff perform their roles properly thereby averting organisational failure (Truss et al., 2013; Mossholder et al., 2011). Through this, the HRM literature has, over the years, legitimised managers' judicious utilisation of organisational resources in achieving this fundamental function (Reinhardt et al., 2018; Alacovska, 2018). However, addressing managerial capacity/competence also shows how the literature has limitedly dealt with other critical aspects relating to overall capacity development especially when the organisational challenges affect people's capacity to perform their roles. Again, various theoretical lines of enquiry have highlighted that in order to avert the causes of potential organisational failure, it is suffice to prioritise management actions and incompetence as these are believed to be some, if not all, of the primary causes of organisational failure (Mellahi & Wilkinson, 2004). The seminal works of Schumpeterian (1942) theory of the environment's 'creative destructive' and Meyer's (1982: 515) 'transient perturbations' have focused greater attention and recognition of HRM's role in fostering management's greater resource effectiveness. Such an overemphasis on management and what has emerged over the years as their entitlement to manage, has cast limited attention on the extent to which the configurated structures, resources and capabilities really avert organisational failure (Headd, 2003). This perspective opines that organisational failure is largely dependent on a firm's development and how managers utilise resources to achieve this. However, what this view has presented us is a recognition that a shift of focus from structures to other aspects such as resource use, competence development and environmental alignment are also critical (Carter & Van Auken, 2006). The emerging research stream in terms of capacity development highlights that a firm's capability is not only dependent on effective use of human capital but that an over reliance on managerial competence risks delegitimising HRM's overemphasis and ultimately its relevance (Burger & Owens, 2013) and managerial loss (Hager et al., 2010). Having noted such a shift in the literature, developing managerial and overall human capacity in the context of SMEs that have been consistently challenged by internal and external factors to the point of organisational demise has not been attended to in the debates and discussions.

However too, it is not clear in the HRM literature which organisational structures (e.g. recruitment, selection, performance and so on) need to be configured/connected or aligned with which other aspects within the configuration perspective (Hobday, Davies & Prencipe, 2005) in order to achieve a specific outcome (e.g. organisational survival). Often, what happens in practice is that this is done reactively thereby further challenging managers' capacity to be innovative in merger situations (Vakola et al., 2004). The literature also highlights the importance of managerial competence (Abatecola, 2013) although we do not know its impact on how effective its application might be on an organisation's overall resilience capacity development. HRM studies are also still fixated in resolving the capability problem at the structural level reactively and speedily leading to an unstable organisational environment (Ferner et al., 2012) and sometimes systemic failure (Amankwah-Amoah, 2016). The extent to which HRM's research dependence on structural-capability alignment has extended our knowledge on management's and organisations' effective use of resources is still debatable and inconclusive (Cordes-Berszinn, 2013) and therefore needs further research. Notwithstanding, there is a failure by successive scholarship to address the problem at the systemic, and higher management competency level where the problem might have originated in the first instance (Sanders et al., 2014) therefore means that I examine the higher levels – i.e. organisational and external to see what can be added to the neglect.

Organisational and External level challenges

To find out the nature of the challenges to human capacity development that might lead to organisational failure, I distinguish between organisational and external constraints (Sanders et al., 2014) given their significance in the literature (Smith & Lewis, 2011; Williams & Horodonic, 2016) and the depth they could provide in the analysis (Reinhardt et al., 2018). Four SMEs in the UK are used to highlight how their management dealt with challenges as they tried to innovate their working practices. The selection of the two levels is also based on opportunities to highlight critical failure triggers beyond the structural level (Sheaf, 2017) and possibilities to add something innovative (i.e. new) to the configuration's attempts at negating people or HRM-related aspects of power, emotions, subversion, resistance and so on.. The literature highlights the importance of communication but only as part of attempts to reconfigure an organisation's structural realignment with its cultural challenges (Reckwitz, 2002) with the hope that this will allay fears at the people level (i.e. management-employee - Southwick & Charney, 2018). This therefore implies a shift to what I refer to in this paper as

resilience capacity building (i.e. 'how' people-management issues could be dealt with in order to resolve higher level challenges, given its omission in the HRM literature.

At the organisational level, capacity development challenges are reflected in, for example, dealing with changing environments (Krishnan & Scullion, 2017; Morley et al., 2015; Festing et al., 2013) often by managers introducing new measures (Dykes et al., 2018). It is hoped that these could shape the behaviours of organisational members (management and staff) in such a way that these could be seen as effective (Top et al., 2015) despite claims to the contrary (Auer & Cazes, 2000). This has not stopped the recurrence of conflicts as a result of the organisational tension resolution having been ineffectively introduced (Rousseau & Shperling, 2004). Given such an adverse situation, management's and staff's wellbeing (Higgs & Dulewicz, 2014) and even their innovative capacity has come under question (Gupta & Singh, 2014). Therefore, despite calls to resolve the challenges faced at the various levels (Mafabi et al., 2015; Coutu, 2002) as Jarzabkowski et al., (2018), they still persist. To see whether some contribution is possible, I look into resilience theory to analyse the extent to which its propositions could deal with the challenges.

Resilience capacity building perspective

It is recognised in emerging HRM scholarship that resilience could be a way out (Conz et al., 2017) for SMEs that have been endangered by challenge-prone situations (Auer & Cazes, 2000; Gunasekaran et al., 2011). Resilience literature highlights its innovative capacity in dealing with challenges (Conz et al., 2017; Dykes et al., 2018) often faced by organisational and their management (Cunnigham, 2010). The claim is that challenges such as organisational lack of capacity, underperformance and management incapability at the internal level (Conway & Monks, 2011) should also be complemented with how a company develops internally in order to manage its external environment (Krishnan & Scullion, 2017). This is expected to trigger the possibility of 'bouncing back' from the challenges (Fredrickson, 2001). Quite often though, richer and bigger companies (Mafabi et al., 2015; Coutu, 2002) tend to receive greater research attention than their smaller and resource-strapped SMEs, which also have to contend with more strategic challenges from their operating environment (Mendy, 2019). Yet, the way such macro challenges are dealt with by smaller firms remains unaddressed.

The difficulty of resolving smaller and larger firms' constraints, as identified, exposes the fact that, for too long, HRM literature and research has relied on structural procedures (e.g. recruiting and selecting the best staff, performance managing them and so on) with the hope

that these structural arrangements will eventually yield positive outcomes even when circumstances suggest otherwise (Cooper, 2013). Other researchers have identified the failure of similar procedures in addressing the damage caused to staff's psychological capital as a result of the adverse effects of the arrangements (Akhtar et al., 2016). This has caused not only staff's but higher management's disengagement and lack of trust on the effectiveness of the traditional structures and procedures (Pittaway et al., 2004) despite HRM literature's traditional adherence to these (Gupta & Singh, 2014). Therefore, such adversity signals the need to address lack of capacity and resilience properties such as learning (Jones & Macpherson, 2006), skills development (Bullough et al., 2014) and ambidexterity (Stokes et al., 2014), at the organisational (Bosch, 2004) as well as encouraging entrepreneurial behaviour (Jenkins et al., 2014; Auer & Cazes, 2000) innovatively to avert organisational failure (Schumpeter, 2000).

Out of the emerging models, HRM's configuration model seems to suggest that management can 'configure' organisation's structures with the external environment to address the environmental/external challenges (Uhlenbruck et al., 2017), to capacity development (Dykes et al., 2018). What we do know in terms of research is the belief by certain scholars that organisations could benefit from aligning what they do with the internal and external challenges by developing new policies and procedures when mergers and acquisitions happen (Uhlenbruck et al., 2017). This is like adopting a 'best fit model' approach although we are not certain whether the new structures will guarantee the oft employment relations ravages caused (Sverdrup & Stensaker, 2018). Given the importance of leadership capability (Sorensen et al., 2011) in putting together the appropriate structures (Conz et al., 2017), other configuration scholars opine that managers' creative decision-making is crucial (Hudson et al., 2015; Bendig et al., 2018). It therefore appears that for HRM scholars to address this problem additional resources are needed (Gunasekaran et al., 2011) to complement the traditional structures of staff retention and development mechanisms (Horgan & Muhlau, 2005; Dolan et al., 2005). Given where we are, we are yet to also ascertain what method(s) would be appropriate to do so (Rahman & Mendy, 2018).

However, what we do not know is how the increasingly polarised nature of the discussions on structure and configuration within the HRM discipline can help us ascertain whether adopting fluid or closed structures would help solve the management and employee capacity development problem relating to organisational failure (Jack et al., 2013). Such an analysis has exposed the fact that the theoretical debates within HRM could benefit from a more holistic appreciation of looking into a firm's activities, procedures, structures and processes if the

problem relating to employment relations is to be addressed more comprehensively than previously attempted. The issue that this appraisal raises therefore is whether an organisation's structures, processes and procedures are capably fluid and dynamic to include a level of resilience when organisations are threatened with adaptation and even existential failure (Amankwah-Amoah, 2016). Given the inconclusiveness of the debates on the topic and emerging research attempts to address the issue, (Mendy & Rahman, 2018), I develop on what has been done thus far. I examine research methodology next to see what could be beneficial.

Methodology

Data collection

This paper used qualitative survey material from eighty-five UK-based participants. The following procedure was involved in the data collection stage. Firstly, I drafted the questionnaire comprising of twelve categories and after pilot testing them the results from forty SME staff and management's responses highlighted the need for a tighter focus. Secondly, I did a second round of questionnaire redrafting using ten of the tightly redrafted questions. These were then administered to management and staff of the four companies which cover manufacturing, services, retail and care. The questionnaire categories mirror similar issues raised in the literature on challenges at various organisational, individual and collective levels and resilience capacity development (Helfat & Peteraf, 2003). The qualitative, subjectivities of staff and management (e.g. their preference for certain types of behaviours and development) were incorporated as part of the data collection and, indeed the various stages of activities that happened as a result in order to help develop a new model on innovation.

A cross-section of a randomly selected sample of management and other SME members were interviewed. Each participant proved knowledgeable about the nature of the adversities and types of adaptation measures in line with Lincoln and Guba's (1985) data confirmability. To heighten the validity and response rate a face-to-face survey was conducted separately between August 2004/2005 and December 2011 with eighty-five participants instead of a recourse to speedy timelines using other methods such as the telephone or online system. The companies had operations in Lincolnshire and Nottinghamshire, UK. Anonymity was waived.

Questionnaire Survey

The questionnaire was equally distributed and administered to participants across all four companies' departments using purposeful sampling. The survey population is defined as SMEs

in two UK counties. All participants were successfully interviewed. All the responses were transcribed for the purposes of data analysis. Unreported aspects of the data are used elsewhere. The survey required identifying members and firms whose characteristics fitted those whose capacity development highlighted what happened in merger situations (Smith and Lewis, 2011) For details of the companies, roles and participants interviewed see Table 1 below:

Companies	Role types	Total respondents
Bakkavor-Laurens	Employees Management	10 employees 7 management=17 in 2004/05 2 employees, 3 management=5 in 2011
Eden Housing	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 2 management=4 in 2011
Longhurst Housing	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 2 management=4 in 2011
Lagat	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 2 management=4 in 2011

***Table 1**. Companies, roles and survey totals*

Interviews lasted not more than an hour and were started with the question 'what challenges have you and your company faced and 'how did you as an individual and the organisational deal with these?' Participants were encouraged to expand their responses should they choose to do so. Some did and some did not in line with Huy et al. (2014).

Data Analysis

For the data analysis, a three stage-procedure was undertaken. First, I present employees' and management's accounts of how they dealt with the merger problems in line with Lincoln and Guba (1985) to highlight the complexity and variety of the challenges. This was done to highlight participants' experiences and what they did to cope. This led to the second stage, which is a thematic categorisation in order to enhance the analysis of the varied challenges. Although this has previously been done by Alvesson and Skoldberg (2017) I tried to highlight any patterns that might feature a cohesive story of the challenges in order to see how to best resolve it systemically (i.e. from the level of staff and management) as this has not been the configuration model's approach previously. Neither has such an approach been used as part of a challenge resolution or resilience capacity development before. From these data analysis stages, I, with the help of three experienced researchers, captured six themes highlighting *new*

forms of organising, transcending punishment, developing learning, mitigating risk, new socio-cultural dynamics and building resilience as expounded hereunder.

Findings

The study's thematic results are presented in this section to highlight the nature of the challenges faced by each of the companies and how (i.e. via what model) staff and management tried to resolve them. Relevant aspects of participants' qualitative interview materials have been identified in each of the themes where they best fit. Suh themes and their aspects helped to develop a model, where one has been absent in the HRM literature on overall capacity development. From this, I developed a concept referred to here as 'resilience innovation capacity', whose aspects contribute to their neglect in HRM research and theorisation.

Evolution of new operational mechanisms and procedures

New forms of organising

In the early stage of what managers and staff agreed were severe challenges to their firms' survival as businesses, they respectively stressed the differences between previous and current times. They each talked about situations where cultural values of collaboration, friendship, transparent communication and working in teams used to be the 'normal' state. In their efforts to try and avert trouble for their firms, managers and staff talked about the need for '*some structure…a set way'* (Lagat staff).' These were thought to facilitate '*jobs* [that] *are designed directly according to delivery plans'* (Bakkavor Manager) such that '*customers are a priority'* (Bakkavor staff). In the absence of these structures, both managers and staff thought that '*Work*[ing] *as a team, supporting each other and meeting deadlines'* (Longhurst manager) and '*people hark*[ing] *back to good times'* (Eden manager) would not be prevalent at a time when the pressures pointed to such requirements.

In each of the four firms, the way each of the groups tried to avert failure was to show what they were doing to adapt mainly via two key reactions; firstly, management were busy designing, implementing plans and secondly, extending people's training and development programmes and structures for this. They thought doing so will keep them in their roles and provide viability for the foreseeable future whilst scouting for additional resources to do so. As managers were increasing their firms' ability to cope with what they saw as new strategies and new openings, employees' contributions were also being controlled via 'hard' measures such

as additional work whilst '*decrease[ing] salary and increase[ing] hours*' (Longhurst manager).

Transcending punishment mechanisms

Both management and staff started by recounting what they did to deal with a range of internal challenges that threatened their operations and survival. For example, in 2011, an employee at Bakkavor narrated that '*we will have to start taking disciplinary action on employees who don't want to change because they don't see the need; these are minimum wage jobs and we are being asked too much*'. On another occasion in 2004/05, a Manager at Eden said that 't*here is a lot of work on disciplinary issues, staff training and quality support…*' whilst another Manager at Longhurst offered the following in 2011 '*you need to be very disciplined; it is important to have the plan and revisit it….*' Such statements led to management in the respective companies imposing and sometimes even transcending disciplinary measures as punishing to staff that were perceived as violating the organisations' new structures, processes and procedures. Staff began seeing the use of such mechanisms as a violation of their '*welfare'* (Bakkavor staff*)*.

Developing learning and development capacity

Management went on to initiate learning and development programmes, which they thought will help employees see these as new strategies promoting greater collaboration and team building. To facilitate this, managers began emphasising that all staff should attend the programmes to form a unified front. When they did not, further reinforcements and additional procedures were used against them. Staff began to talk openly about how mechanistic (and inhumane) the new procedures and management actions were. Non-management felt they and what they did were being mechanised. They felt their feelings did not count anymore as managers were mindful of their jobs. As counter measure, staff began to develop their own arrangements as they engaged each other more, thereby making management's work and the new structures redundant. Staff's accounts included things like the '*constant*' monitoring from not only supervisors but also higher management. There were also accounts of an increase in staff's workloads as they were asked by superiors to meet an increasing number of product and service deadlines in order to counteract the external threats. Examples included '*to chart a new culture and new ways of working between….employees…in terms of how it works out, which way we want to go and how we want that way to be' (*Longhurst manager) and the fact that '*the workload for them* (managers) *is colossal; managers don't know what a working week is*

11

like…but it's way beyond 35 hours; you see emails relating to work issues come at night and that's regular and very early in the morning, say at 6.30a.m.' (Eden staff). Under the circumstances, managers made increasing use of structures that promoted their power and '*disciplinary procedures…*' (Longhurst Manager) and '*disciplinary procedures*' (Eden Manager) to ensure compliance.

Mitigating risk and emergence of new human networks

Managers introduced measures to evaluate staff's abilities to conduct daily operations. They also introduced a tribunal that served to appraise staff's '*…basic competences*' (Longhurst Manager) as they realised from rumour-mongering that the way they had '*communicated*(their) *future plans*' and revealed what they termed as '*a massive communication gap between the interaction of senior and lower management*' (Bakkavor manager). This measure had an opposite effect as staff saw them as authoritarian and a feeling of disengagement from management's communication pipelines started. Managers' efforts became ineffective as staff developed alternative communication systems thereby creating a parallel system that fractured management's reliance on structural procedures of communicating with staff. A different or new language showed the divergent interests of the two groups. The conflicting agendas (i.e. staffs' and managers') heightened a communication fragmentation environment, which further deepened staff's and some managers' misery of impending systemic failure. The new procedures created to resolve this did not help.

New socio-cultural dynamics in managing capacity development

A Training Officer at Lagat observed how managers were feeling ignored in 2011 in the evolving relationships. As a way out, they began to design and impose new jobs on staff, who then chose how to implement them. Staff began to identify who was suitable for which tasks while basing this on prior experience and knowledge. In effect, they began redesigning jobs that were being handed down to them. In effect, they started to show what could be observed as resilience capability – having the know-how to act in a way that showed bouncing back from near failure. The gap between managers' aspirations of resolving the failures they helped to create and staff's alternative plans of what could work started to widen between the two groups. Staff felt they had to operate in sub-groups to enhance their resilience as they developed a new sense of meaning at work. Managers could help but witness a new '*them and us culture*' at Bakkavor as well as Eden. The new tasks created by managers and staff fostered entrenched identities of the two groups as they each tried to increase their capabilities in the new

dispensation. As staff '*confided*' with one another, they highlighted that managers no longer valued – i.e. '*our opinion*' (Eden and Lagat staff).

Building resilience as new way to manage people

Staff's and managers' accounts revealed that the former started to be more enterprising compared to their managers who continued to rely on outdated mechanisms which were increasingly pointing towards firms' failure. People talked about starting to form groups to '*support each other through…networking*', (Lagat staff), '*dipping into other people's roles to support staff*' whilst '*wanting to have responsibility on the way things are going*' (Bakkavor manager). They showed how to become better capable when the structures put in place by their management pointed to their incompetence and threatened them as a group. Staff started to engage their colleagues more in tasks and execution mechanisms that developed their innovative capacity, something they did not see in their managers. Doing so meant that roles and tasks were being redrawn as each group sensed that a failure to do so might trigger further trouble. Staff showed greater resilience in this drive. When managers tried to become more communicative which they thought might help alleviate further disaster, staff saw this as desperate attempts to claw back ineffective applications of managerial and structural procedural implementation. The management's use of emails and noticeboards further alienated the two groups. It was even mentioned that a 'new culture' of '*turnover*' (Lagat staff) started to surge as a result of 'the CEO [who] has only spoken once to the business' (Bakkavor manager) and an increase in.

Extension: Resilience Innovation Model leading to Resilience Innovation Capacity

I build a new model referred to as 'Resilience Innovation Model' highlighting aspects which previous capacity development using structural orientated propositions have missed: resilience and innovation. There combination enable HR managers deal more effectively with the types of organisational failure-type challenges faced by SMEs as part of my attempt to have answered this paper's research question and to have achieved its objectives. To do so I draw from firstly, how the model's aspects can help deal with resilience threatening challenges in contemporary organisations and secondly, how aspects of its subsequent theory referred to here as 'resilience innovation capacity' can be useful in challenging environments.

Previous research on resilience enhancing (Krishnan & Scullion, 2017) has focused on amending the structural configurations that might have contributed to an organisation's human capacity challenges (Vakola et al., 2004). Such a structural way omits organisationally

embedded values (Reinhardt et al., 2018) which might have concretised a firm's or management's ineffective reconfiguration of an organisation's capabilities as recommended in previous studies (Cordes-Berszinn, 2013). Emerging proposals call for innovativeness in configuration's application (Alacovska, 2018) but we do not know how their measurements, as recommended, are applied (Auer & Cazes, 2000; Rousseau & Shperling, 2004) or whether these could even be diffused system wide (Hobday, 2005) to avert wholescale failure (Amankwah-Amoah, 2016). I have developed a 'Resilience Innovation Model' to address the fundamental 'how' problem, something that has been considered essential by Camison-Zornova et al. (2004) but not addressed in HRM. I have gone a step further to identify its core areas (and aspects) including 1) collegiality, 2) relationality 3) innovativeness and 4) building sustainable resilience as seen in Figure 1 below:
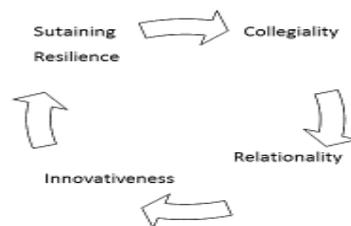

Figure 1. *Resilience Innovation Model*

Resilience Innovation Model: aspects and contributions

The Resilience Innovation Model has reinstating collegiality as its first characteristic. This entails the nurturing of collegial working given the fact that each of the four cases clearly highlighted a breakdown in people's trust and confidence. Despite management's and employees' structural mechanisms which they thought would reinstate collegiality in an already challenged context, the varied stories point to a 'them-and-us culture' and blame environment needing a reinstatement of collegiality. The fact that management and non-management each tried to claim credit for fixing the macro-level problems, it was only after both groups realised the need to respect core areas of collegial working that the situation improved. These are namely 1) although operating from a less advantageous control, power and authority perspective, non-management identified roles and responsibilities as a way to

contribute to the collegiality impasse; 2) non-management identified colleagues in their departments and other strategic business units to work in a cross-functional capacity to resolve the firms' challenges in the here and now; 3) support mechanisms were created for colleagues sometimes through the sub-cultural entities and 4) checking mechanisms included innovative ways to communicate within and across functional areas.

The second characteristic of the Resilience Innovation Model highlights relationality in the employment relationship conditions that could resolve the impasse. From the results, these include identifying task and role boundaries, what competences are required for each role and task boundary (i.e. the management's and non-management's), a mechanism to clarify any potential ambidexterity/ambiguity issues of how each task and role is expected to be delivered as a guide for the creation of a workable set of conditions. Recognition of each party's varying responsibility entails management's resource provision (e.g. training and development opportunities, financial and other material rewards, including time to experiment new ideas) in a way that caters for flexibility. On another note, non-management serves not only as support (tacit and explicit) but also as critical evaluator of the emerging conditions between the two groups in a way that will increase the functional operationalisation of the model.

The third characteristic of the Resilience Innovation Model centres on fostering innovativeness and how this can be operationalised. In each of the four SMEs, management-staff interactions were based on 'who is boss' and who gets imposed in a manner that Taylor would have proposed. However, doing so robs SME members' ability to be part of a process which incorporates the contributions from all levels (the individual, organisational and collective) – i.e. the possibility to show some innovation at the internal micro and external macro-levels. Such coordination between the areas and categories helps in initiating some innovation to the terms and conditions on which the various parties need to agree on (Bendig et al., 2018) but also seek other possible implementation mechanisms should the need arise as advised by Truss et al. (2013), Conway and Monks (2011). However, it was found that cajoling managers to implement the measures speedily (Dykes et al., 2018) only serves to cement their power (Ferner et al., 2012) in accordance with Taylorism rather than include appropriate channels, including HRM, as part of the resolution towards resilience capability development (see Table 2 for details).

The fourth and final characteristic of my Resilience Innovation Model entails an addition and thereby a contribution, which is embedding resilience in HRM studies at the individual,

organisational and collective levels. Here, HR researchers and practitioners should not only focus on the problems caused by management's reactive implementation of configuration (Reinhardt et al., 2018) but on how to develop resilience building capacity given its missing aspects in situations that threaten organisational survival like mergers and post-mergers as earlier recognised by Klein and Knight (2005). This is the paper's extension of previous research including those of Sanders et al. (2014) and Amankwah-Amoah (2016) as there was an obvious neglect of combining the micro and macro-levels' need for resilience development in contemporary work organisations. This also accommodates informal individual and collective value systems for the SMEs to sufficiently embed 'bouncing back' into configurational structures and processes.

Resilience Innovation Capacity

I develop 'Resilience Innovation Capacity' from the over-concentration of previous studies on the structural implementation of configuration model at the detriment of recognising the extent to which this can avert organisational discontinuation (Amankwah-Amoah, 2016) at the managerial (Abatecola, 2013) as well as at the macro level (Jarzabkowski et al., 2018). This therefore meant that an organisation's and HRM's resources, including their learning and development application capacity were being wasted at the micro- (Neen, 2018; Conway & Monks, 2011; Jones & Macpherson, 2006) and macro-levels especially for poorly resourced SMEs (Bhana & Bachoo, 2011). The theory recognises the primacy of human agency development when designing and implementing a process that facilitates overall survival and therefore mitigates against inertia and organisational demise (see Table 2 for theory's characteristics) below:

Aspects	Resilience perspective	Configuration perspective	Resilience Innovation Capacity
1	Create environment to bounce back	Maintain open structures	Identify structures to put activities in place supporting collegiality
2	Enhance individuals' psychological capital	Align the internal and external activities	Start to encourage people to develop relations to enhance contributions
3	Encourage high performance	Identify a strong leadership team to guide vision	Develop relational networks for personal and organisational gain
4	Be a flexible organisation	Adapt structures to suit pressures	Be flexible and innovative in systems application

5	Develop strategic orientation	Have appropriate leadership	Combine structures and objectives that are most beneficial in developing capacity
6	Generate resources	Develop adequate resource usage	Identify varying resources needed to facilitate resilience building
7	Develop skills	Develop and retain staff	Develop resilience capital – i.e. the capacity to adapt and bounce back
8	Institute change – stabilise change by making organisational initiatives stick	Encourage staff to have a voice/say	Reinforce previous aspects to sustain resilience capacity

Table 2. *Comparison of resilience, configuration and resilience innovation capacity theory*

Discussions

What my model does is highlight aspects of capacity development that HRM research has missed in their keen interest to focus on structures rather than building resilience systems against organisational survival threatening and HR-centric challenges. Despite the fact that the reactive nature of the configuration's implementation has led to possibilities of organisational failure (Amankwah-Amoah, 2016), there had not been subsequent work on ascertaining 'how' (i.e. via what model/approach) useful certain competences (both managers' and employees') could be combined in a more dynamic way than previously advised by Cordes-Berszinn (2013) and in line with SMEs' resilience building requirements in mergers and acquisitions. In order to show how this can be done I recap on previous HRM research's inability to do so through proposals that increased the inefficient application of the configuration model in work contexts (Camison-Zornova et al., 2004) and by consequence resilience capacity building damage. This ineffectiveness has been observed not only at the managerial and employee (i.e. individual level – Klein & Knight, 2004) but also at the organisational and collective levels where it is still needed (see stage 4 of my Resilience Innovation Model). Previous studies have also missed my model's third contribution (i.e. the practical aspects) needed to address the temporality caused by the structural implementation of configuration-based policies and procedures (Puranam et al., 2012) which have failed to embed resilience as an organisational and innovative way of resolving the problems. By using the different characteristics of the model to identify potential benefits, I have also shown how these aspects can be implemented in a methodical, step-by-step way in a manner that had not been featured in Amankwah-Amoah's (2016) identification of the causes and decline stages of organisational failure. My model goes a step further to identify what was missing previously (i.e. resilience building) and how to

embed resilience in individuals, organisations and collectives. To add to the practical contribution, the study has also provided 'Resilience Innovation Capacity' and highlighted the theory's essential aspects which were missed in previous studies (see Table 2). Implications for their inclusion in HRM studies are also considered as part of an emerging research agenda. My proposed model and theory have the following implications. First, the model has duly identified what is needed in HRM studies when there is over-reliance on structures in challenge implementation resolution. To address the issue of model quality given its newness, this was done by justifying its development based on missing capacity development aspects from the HRM literature. In addition, the empirical data was used to highlight what the SME members said their organisations and management needed if they were to be more effective in improving their resilience development capacity when challenged. Second, the theory on 'Resilience Innovation Capacity' are developed as an evidence-based recognition of the reactive measures from configuration management enthusiasts who have caused further damage than necessary to organisational capacity development. Third, my model and theory suggest that HRM need to consider how working practices, policies and procedures are implemented and whether these serve for longer term and systemic, organisation-wide developmental survival.

Conclusion and new research agenda for Resilience in HRM Studies

Previously, scholars such as Reinhardt et al. (2018) have recognised resilience as a useful coping mechanism whilst Amankwah-Amoah (2016) has identified causes and stages of organisational failure but they did not identify how developing resilience capacity can serve in averting an entity's discontinuance. This is most poignant and beneficial for SMEs, whose capacity development has been threatened primarily because of management's incompetent and reactive use of the configuration perspective and overall resource constraints. Configuration theorists had also focused on structures without recognising the role that resilience might play, if anything. What I found was that each of these approaches and propositions lacked a 'how' or an implementation methodology to add to the already theorisation deficit/gap in specific merger and acquisition situations (Mendy, 2019).

HRM research can benefit by looking at the initiatives that the SME members to infuse innovation into the structural implementation of the configuration model as anticipated earlier by Rheinhardt (2018). It shows what characteristics are needed even in situations that tend to go against its fostering. Such characteristics included developing a capability to scout for resources and building resilience skills that could enable getting difficult tasks and roles

completed successfully. From members' actions, an innovative model was developed to help capture greater cooperation and collaboration between different employees across different departments in order to facilitate a coordinated resolution of internal and environmental challenges. By highlighting employees' and managers' implementation strategies and activities (both from a top-down and bottom up approach), it became clearer that the former served to alienate and stifle creativity whereas the latter facilitated it as grassroots level. By using such divergent perspectives (managers' and employees') I found that resilience building capacity could be used to further strengthen resilience theory and be incorporated into HRM literature and research. Having used the literature's missing aspects to develop a 'resilience innovation model' I realised that its third and fourth areas could be used to develop what is referred to here as 'resilience innovation capacity' theory. This plugs the resilience theory deficit as well as identifies what types of new characteristics are required in HRM to facilitate the successful resolution of challenge-implementation that had not been addressed by Smith and Lewis (2011) and their followers before.

I went a step further by also noting the reactive way that configuration enthusiasts have tried to deal with structurally related challenges without resolving the fundamental resilience capacity development problem. This has led to a narrow view of how HRM studies can contribute to effective and efficient use of resources especially in situations where this is problematic (i.e. in SME contexts). The clarion need to add resilience in *human resource* utilisation has led to two beneficial injections to constitute a new HRM research agenda: firstly a 'resilience innovation model' and secondly, the concept of 'resilience innovation capacity theory' to show what has been sorely missed in the application of the configuration model and previous studies on HRM's capacity enhancement. The model and concept need further exploration to see how their benefits can be developed in a range of capacity developmental situations in a range of contemporary organisations.

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