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What is This?

Toward a Political Economy Model for Comparative Analysis of the Role of Strategic Human Resource Development Leadership

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This article presents a conceptual framework for a political economy approach for studying the role of human resource development (HRD) leadership in organizations and understanding the linkage between an organization's political-economic context and HRD programs and practice. This conceptual framework provides an integrative model for comparative analysis across organizations. It also brings the role of opportunistic advocacy to the forefront of discourse involving HRD practice. A political economy approach contextualizes the literature on performance improvement and emphasizes the role of HRD agency. This article provides a foundation for the conceptual framework, drawing on the seminal literature in strategy and organizational sociology. Examples of initial categories for a grounded theory of HRD from a political economy perspective are provided.

Keywords: *political economy; opportunistic advocacy; HRD agency*

This article opens up a line of theoretical inquiry that focuses on the role of senior human resource development (HRD) leadership in organizations from the perspective of political economy agency. The political economy approach to organization theory and change examines how actors in an organizational social system respond to the opportunities and constraints imposed by the fluid interdependencies among the economic and political variables that comprise the system. Organizations are open systems that are simultaneously both economic and political entities existing in a state of power-dependency with other such entities that comprise a broader social system. The boundaries of such systems are themselves arbitrary social constructions open to redefinition as evidenced by current trends in organizations transferring tasks to customers and increasingly relying on "part-time" employees.

The opportunities and constraints characteristic of the political economy of an organization provide the decision-making "field" for executives. Strategists in organizations seek to manipulate these power-dependency relationships in order to secure resources necessary for survival and to position the organization for effective, hopefully superior, performance. Exercising such decisions, and the actions and adjustments taken to implement them, are agency, which is the human action through which people are the catalyzing factor, shaping both the form and effectiveness of the system in meeting collective goals of various stakeholders. This agency must influence others among the executive team and throughout the organization because each of these "agents" have viewpoints that typically vary systematically with the position they hold in the organization and their subjective experience that shapes their perceptions of the objective situation.

The focus of this article is on how processes of opportunistic human agency are central to HRD practice. A political economy perspective on HRD explores the patterns of action through which senior HRD executives react and adapt to the political and economic contingencies, both external and internal to the organization, that impact on their success in bringing HRD practice into the strategic conversation of the organization. Our core assertion is that we can better understand the dynamics of HRD agency through comparative organizational research that applies a political economy lens to the issue of HRD leadership practice, seeking to understand how these situational variables affect how agency operates. A political economy model places power and advocacy in the forefront of discussions on the role of HRD leadership. A premise of the model is that power and advocacy are inherent in purposeful human action in complex social settings where people have diverse personal and collective interests.

The assumptions underlying this article acknowledge that although in popular culture the word *politics* carries negative connotations, in practice, little of significance, positive or otherwise, occurs within complex interdependent social systems without political initiatives (Pfeffer, 1992). Straightforwardly defined organizational politics are "how power and interests play out in the organization" (DeLuca, 1992, p. 44) and political agency is the process of participating in this "play." As DeLuca notes, organizational politics are a double-edged sword, with one edge representing the actions of those who pursue self-interest through Machiavellian and deceitful methods and the other edge seeking to use influence that links multiple agendas to broader organizational interests. The first is dysfunctional politics, the second, functional. Being opportunistic is at the heart of strategic thinking, seeking to see in the patterns of an organization's political economy, opportunities for both adding value and developing the relationships that will make this possible. Any executive, professor, or administrator who, when considering how to effectively move forward a position, says to a

colleague, "let's think strategically about this," is moving into the realm of politics.

The Gap Between Strategic and Operational Level Learning in Performance Improvement Models

The intention of a political economy model is not to develop an alternative lens to performance improvement theory but to contextualize it. Considerable progress has been made in developing performance improvement models for guiding practice (Brethower, 1995; Brethower & Smalley, 1998; Gilbert, 1976; Holton, 1999; Swanson, 1994, 1996, 1999; Torraco, 1999). For example, Swanson (1999, p. 5) has argued the need for HRD practitioners to build theory that addresses three performance levels: organization, process, and individual performance. Holton (1999) identifies domains of performance including mission, process and critical performance subsystems, and individuals, distinguishing between outcomes and drivers for each level.

Although holistic in their systemic approach, discussions of strategically integrated HRD such as these tend to gravitate to operational practices of system diagnosis and method. Swanson (1999), although pointing to the importance of organizational level variables such as strategy, structure, and technology, places economic, political, and cultural forces outside the organization in its task environment. Although organizations function within an external political economic environment, they are comprised of their own internal political economy as well (Zald, 1970a). Aligning the two is a core function of strategy, and strategy formation is in part political (MacMillan, 1978; Palmer & Hardy, 2000; Pettigrew, 1973, 1985; Storey, 1985) as is the process of dealing with the external strategic context (Hillman & Hitt, 1999; Schuler, 1996). Holton (1999) writes, "PI should be a gatekeeper for performance improvement, using its expertise to analyze performance problems, identify the best interventions, and evaluate outcomes" (p. 36). The focus is on system fixing not system creation, and on implementation of strategy not the process of leveraging strategic conversations. The nexus of the discussion is on the operational level of the organization, and although the arguments are inclusive of strategic level learning, the tone and focus is on problem solving.

There is, of course, nothing inherently wrong with this operational focus in terms of serving the needs of both the profession and organizations and in providing a foundation for sound professional practice. However, this foundation is directed toward the concerns of middle management and limits senior management's perception of HRD practitioners to a constrained, and variably important, operational role. It also subordinates discussions of power and political agency in the broader HRD discourse and ill prepares

students for reflecting on the messy, yet equally essential, dimensions of effective HRD practice. Walton (1999) has observed how emergent writing on strategic human resource development has tended to produce models that stress how planned learning can contribute to organizational performance. These models "have largely adopted a rational-structuralist approach . . . [and focus on, (sic)] . . . cementing the link with what is nowadays being deemed as old-style business and human resource planning" (p. 83). A key supposition of framing HRD practice in terms of political economy is that HRD professionals, like all executives, find themselves engaged in political advocacy.

To be sure, HRD executives have a responsibility for being conversant with performance improvement theory and a multiplicity of ways of providing and assessing learning interventions. This is the technical, or content aspect, of their role that implies an economic dimension of insuring a *value added return* on the resources expended on learning. In addition, senior HRD executives have to *position* these learning resources in the organization, linking them to strategic initiatives that maximize their effectiveness, an idea that is not new (Gilley & Maycunich, 1998; Swanson, Lynham, Ruona, & Provo, 1998; Torraco & Swanson, 1995; Walton, 1999). Accomplishing this linkage implies a political dimension to the role of senior HRD leadership—influencing, often without authority, and engaging in opportunistic advocacy. In practice, the economic and political dimensions of the role are interdependent. Political action is not a strategy apart from the performance dimension of HRD practice but is part of the fabric of the leadership practices that position it, something recognized in the management literature on leadership (Cohen & Bradford, 1990; DeLuca, 1992; Pfeffer, 1992).

A Political Economy Framework for Comparative Analysis of Strategic HRD Practices

There has been a productive tradition of using a political economy (P-E) perspective as a conceptual lens for the sociological analysis of organizational dynamics (Benson, 1975; Cole, 1985; Stern & Reve, 1980; Van Houten, 1987; Wamsley & Zald, 1976; Yorks & Whitsett, 1989; Zald, 1970a, 1970b). An essential characteristic of political economy thinking is the simultaneous focus on the interdependencies between the "polity" and the "economy" of the organization (Arndt, 1983). In addition, this dual focus explicitly considers the relationship between the external and internal polities and economies (Zald, 1970a). The strategic response to the opportunities and constraints afforded by the external political economy is socially constructed through the interactions of a coalition of dominant actors in an organization's internal political economy (Miles & Snow, 1978; Pettigrew, 1985; Storey, 1985).

An organization's economy involves external relationships, including its capital, product, and labor markets, and the characteristics of each. An organization's internal economy is composed of the productive exchange system of the organization, including division of labor arrangements, the allocation of resources for accomplishing work, managerial accounting systems, and compensation and incentive systems. An organization's polity consists of the patterns of influence between the organization and other social institutions in its task environment that sustain its economic form (Williamson, 1975; Zald, 1970a), and the use of power and influence within the organization, and the structures and mechanisms that reinforce these patterns (Zald, 1970a). Although economic variables such as switching costs, profit levels, and level of concentration in the industries involved shape the competitive landscape of buyers and suppliers, these factors manifest themselves in the bargaining power of these groups, which is essentially a power-dependency relationship. In addition, organizations seek to protect their competitive position through lobbying for legislation and regulatory policy favorable to their company or industry. Goal structures (Perrow, 1961), the composition of the organization's dominant coalition (Miles & Snow, 1978), and taken for granted norms of authority embedded in an organization's culture (Voronov & Coleman, 2003) comprise an organization's inner polity.

A political economy approach departs from the individual and psychological emphasis that has quite naturally been the focus of much HRD theory, incorporates Swanson's (1999) argument that economics is one of the theoretical foundations of HRD theory, and brings issues of power and influence onto center stage as part of discourse in HRD theory. HRD writers, with the exception of those with a strong adult education background such as Brooks (1994), Cervero and Wilson (1994), and Garrick (1998), have largely overlooked the latter.

Figure 1 summarizes a preliminary conceptual framework for an organizational political economy analysis based on the literature surveyed above. It should be noted that the executive perspective implied in the figure is not limited to senior line executives (including the senior HRD Executive or CLO), but all managers and members of the organization who are active participants in the strategic dialogue.

Strategy and the Political Economy of the Organization

A P-E focus also provides linkages to seminal writing in the strategy literature that is essentially framed in a political economy context. Porter's (1980) five forces model, arguably the most influential of the strategic positioning frameworks, is essentially situated within political economy thinking. The dynamics of industry competition and the threat of new entrants become mainly manifest in the economic dimension, although often
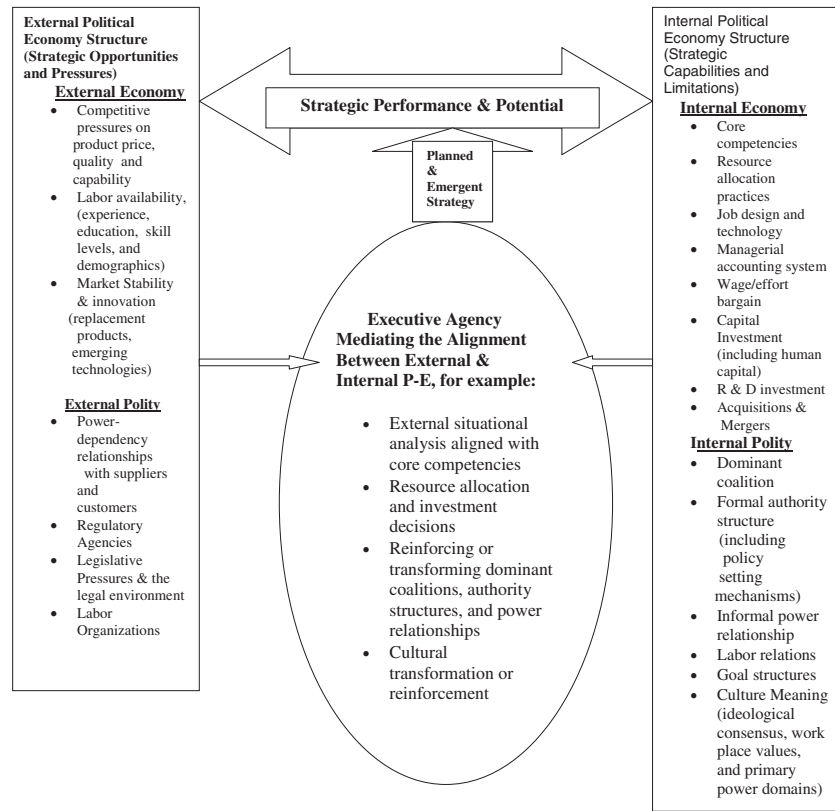
External Political Economy Structure (Strategic Opportunities and Pressures)

External Economy
- Competitive pressures on product price, quality and capability
- Labor availability, (experience, education, skill levels, and demographics)
- Market Stability & innovation (replacement products, emerging technologies)

External Polity
- Power-dependency relationships with suppliers and customers
- Regulatory Agencies
- Legislative Pressures & the legal environment
- Labor Organizations

Strategic Performance & Potential

Planned & Emergent Strategy

Executive Agency Mediating the Alignment Between External & Internal P-E, for example:

- External situational analysis aligned with core competencies
- Resource allocation and investment decisions
- Reinforcing or transforming dominant coalitions, authority structures, and power relationships
- Cultural transformation or reinforcement

Internal Political Economy Structure (Strategic Capabilities and Limitations)

Internal Economy
- Core competencies
- Resource allocation practices
- Job design and technology
- Managerial accounting system
- Wage/effort bargain
- Capital Investment (including human capital)
- R & D investment
- Acquisitions & Mergers

Internal Polity
- Dominant coalition
- Formal authority structure (including policy setting mechanisms)
- Informal power relationship
- Labor relations
- Goal structures
- Culture Meaning (ideological consensus, work place values, and primary power domains)

FIGURE 1: A Conceptual Framework of Political Economy for Comparative Organizational Analysis

addressed through political action such as industry associations lobbying for protective legislation. Economies of scale, the experience curve, industry growth rates, access to capital, switching costs, and access to distribution channels are among the barriers to entry in an industry. Where models of strategic positioning such as Porter's provide a range of tools for analyzing a competitive industry, Miles and Snow (1978) provide a model linking strategic type to the internal organizational political economy. Less a theoretical framework for understanding the dynamics of competitive strategy than an anchor for a model of organizations, it is the power of the model for understanding the internal dynamics of organizational adaptation (or lack of adaptation) that adds to our understanding of the strategic learning challenges facing organizations.

Miles and Snow (1978) provide an explanation for the emergent power bases in an organization and how these power bases facilitate and constrain

subsequent strategic choices. One of the central components of their framework is the concept of a politically dominant coalition that emerges as the organization achieves fit between its business model, technological, and administrative processes. The members of this dominant coalition have frames of reference that shape the future strategic conversations and the lessons derived from the organization's experience. Although not framed in terms of a core competence, and expressed at a higher level of generality than Prahalad and Hamel's (1993) seminal concept, a core dynamic of their model is the idea that each strategic type involves an overarching core competence that supports their strategic posture, and develops over time.

The linkage between the internal and external economy and the alignment of HR practices is illustrated by research by MacDuffie (1995) and Arthur (1992, 1999). MacDuffie's (1995) research demonstrates how global changes in the political economy of the automobile industry have affected the internal political economy, and by extension the HRD agenda in automobile manufacturing companies. MacDuffie found that "at least for assembly plants, the flexible production approach consistently leads to better performance than the mass production approach" (p. 218). Furthermore, a particular "bundle" of HR practices was a predictor of effectiveness. Flexible production systems required workers with multiple skills and conceptual knowledge. These skills are of little value to the organization unless the workforce is motivated to perform, contributing both mental as well as physical effort. This requires that workers see their interests aligned with the organization and believe the company is committed to their well-being through practices common to a high commitment human resource system. These findings were generated with the context of global change in the competitive political economy of the industry, creating a situation where business strategy required employees to contribute discretionary effort.

Generally, the constraints placed on an organization's HR practices reflect the political economic context, especially those of the competition. In his study of steel mini-mills in the United States, Arthur (1992) found that for the overall industry, pursuing a high commitment type HR system, as opposed to a control-oriented HR system, was more effective raising the question of why all firms do not adopt such a strategy. Based on subsequent research (Arthur, 1999), he suggests an explanation for why all companies do not try to adopt a high commitment work system:

> Although having a Commitment-type HR system is beneficial to all mills, the economic benefits for an investment in this type of HR system is much smaller for mills following a Low-Cost business strategy than for mills following a Differentiation strategy. If the costs for a Commitment-type HR system exceeded the benefits from these investments in Low-Cost mills but not in the Differentiation mills, then the fit patterns that exist in these mills may be seen as rational from an economic perspective. (p. 24)

Control-type HR systems are characterized by highly standardized jobs and require less worker participation and formal training programs. Although investing in these areas might not hurt worker performance, the payback on the investment for firms pursuing a Low-Cost strategy will probably be insignificant. This is in contrast to those situations in which the success of the business strategy depends on producing higher quality product or switching production among a variety of products. In such an environment, workers must be broadly trained, more highly skilled, and committed to the organization's objectives than with the Low-Cost producers. Arthur (1999) made comparisons of the payback of strategic fit for mills pursuing different strategies in terms of productivity, quality, and employee turnover, finding a much stronger and statistically significant relationship between fit and performance for the subsample following a Differentiation strategy. The relative cost of turnover is also higher for firms following a Differentiation strategy than for those following a Low-Cost strategy. This suggests the payback for HR systems that might reduce turnover is greater for the firms following a Differentiation strategy.

Although research conducted at the industry level of analysis indicates that a focus on high performance work practices have a statistically significant impact on both intermediate employee outcomes such as turnover and productivity, and short-and long-term measures of corporate financial performance (Delery & Doty, 1996; Huselid, 1995), Mabey, Salaman, and Storey, (1998, p. 101) have noted that the rather global measures of HR practices used by Huselid and others may mask the more important question of the form and content of these practices and how they are implemented. Referring to Huselid's (1995) work, they noted that

> the reported results are, if taken at face value, good news for HR directors . . . some of the questionnaire items connoting high performance work practices are still highly instrumental. In other words, *the way in which* various HR policies are derived and managed *is* probably a more accurate gauge of their effectiveness than the fact that . . . employment tests are used in requirement as an indication of enlightened 'employee skills and organizational structures,' or the proportion of the workforce participating in formal appraisals as a measure of employee motivation. (pp. 101-102)

The specifics of the form that HR practices take, as well as the way in which they are derived, can be productively informed by research into the interplay between the political and economic structures and processes that comprise the organization as key decision makers negotiate the system and make decisions.

Enter Power Into the Strategic Equation

Much of what constitutes the pattern of an organization's strategic behavior is emergent (Mintzberg & Waters, 1985; Quinn, 1980). If anything, this aspect of strategy has become more prevalent as organizations move away from verti-

cal integration in order to become more flexible and opportunistic (Balderson, 1999; Johnson, 1987). Perceiving and taking advantage of strategic opportunities is mediated by the aforementioned dominant coalition which, as Miles and Snow (1978, 1994) have argued, brings their particular frame of reference to discussions of strategic opportunities, and this implies a power, as well as a learning, dynamic to strategic organizational learning. They provide an analysis of how ideology, a core component of political economy systems, has evolved through various economic epochs, each of which necessitated new strategy and consequently new forms of organizational structure and processes.

> Leading-edge firms respond to new environmental demands by inventing new strategies and developing the structures and processes required to make them work. . . . However, even with an organizational form and its operating logic in place. . . . Unless a new organizational form is supported and energized by an appropriate managerial ideology, its competitive advantages will never be fully realized. (1994, p. 41.)

Ideology is where strategic thinking, the values that support its manifestations, and the power relationships that produce them are integrated through what Voronov and Coleman (2003) identify as primary power, which is the product of sociohistorical processes of reality construction defining the domains in which secondary power is exercised. Primary power underlies the ideological structures within which the political economy is embedded and certain actions are legitimized. Voronov and Coleman introduce the concept of Organizational Power Practices (OPPs) to differentiate this source of embedded power from overt political behavior like opportunistic advocacy. OPPs are the taken-for-granted practices that "serve to position individuals in relation to other organizational members . . . that are most central to the creation, sustaining, and perpetuation of various—frequently unnoticed—hierarchies" (p. 179) and sets of power relations. Primary power is in contrast to secondary power—the exercise of power in the conventional sense of the ability to get one's goals met through managing power dependency relations (Emerson, 1962) through the exercise of the symbolic and instrumental forms (French & Raven, 1959) of power that rest on the domains of authority defined by primary power.

Many strategic initiatives are undercut because of the primary power of specific groups and their connection to the dominant coalition within the organization. As implied by the above discussion of dominant coalitions and power, the process through which strategy is constructed and implemented is one of executive agency. Structural and process variables do not act upon one another in a predetermined mechanistic way. People mediate them through intellectual and political activity. The quality of this activity, and the individual and organizational learning that accompanies it, to a great extent determines the degree to which an organization prospers or survives.

For HRD practitioners this is more than a theoretical issue. A significant portion of HRD work involves designing learning events that at least in part,

involve intentionally influencing the meaning that organizational members make of events. A significant part of HRD work seeks to affect an organization's culture, ideally helping people make sense of their experiences and the choices confronting them. Clusters of sentiments such as *ideological consensus* (the degree of agreement among managers and employees regarding the lifestyle and values that are appropriate for approaches to tasks in the organization [Dell computer employees speak of accomplishing work in "Dell Time" when beginning a new assignment, 24/7 has entered the national vocabulary as a reference to the demands of work]), *positive evaluation* (the judgments workers make about the value of their work and the work of others), and *work coordination* (collaborative or cooperative beliefs), clearly constrain work performance and, following institutional change, are shaped by it (Benson, 1975).

Garrick (1998) has discussed this aspect of the HRD role:

> discourses of staff development, learning and training which construct and promote certain valued kinds of identity. . . . Workers are active in their compliance with an ensemble of disciplinary practices that have significant implications for workplace learning, skill development and knowledge transfer. Experience of workplaces, power relations, "group norms," team-work, shared e-mail systems, performance appraisal mechanisms and so on influence what/how performance knowledge is constructed by the learner. (p. 99)

The language associated with change management initiatives such as "rightsizing," "empowerment," "globalization," and "diversity training" is but a cursory example of meaning creation typically supported by HRD inventions.

The implication of the above literature for HRD work is several fold: First, political action is neither a fall-back strategy or something resorted to in particular situations. Rather, political action is embedded in the work of HRD leadership because organizations are simultaneously political and economic systems and power relations are part of the cultural fabric of a social system. Dominant coalitions form over time in organizations and influence the ability of the organization to take advantage of both strategic opportunities in the external environment and opportunities afforded by the intellectual and social capital of the organization. Pfeffer (1992, p. 39) has documented how organizations have missed some important economic opportunities because "the people involved did not see the need to develop power and influence," but instead presumed that compelling facts would speak for themselves. Extending his argument, producing measurable results through learning interventions is a necessary but insufficient aspect of HRD leadership. Managing the interdependencies of the organizational political economy is equally important. Pfeffer states the matter succinctly:

> The essence of organizations is interdependence, and it is not news that all of us need to obtain the assistance of others to accomplish our jobs. What is news is that when interdependence exists, our ability to get things done requires us to development power and the capacity to influence those on whom we depend. If we fail in

this effort—either because we don't recognize we need to do it or because we don't know how—we will fail to accomplish our goals. (p. 38)

Almost always, implementing significant strategic change surfaces organizational power practices during both early strategic discussions and the alignment phase. Whether facilitating and participating in the strategic learning process or implementing learning initiatives in support of strategic decisions that have been made, HRD practitioners have to be aware of the extent to which various stakeholders may be invested in maintaining the existing power relationships that are supported by the strategic and cultural legacy of the organization.

Implications for HRD Practice: Working Within the Political Economy of the Organization Through Opportunistic Advocacy

Although the specific possibilities for HRD interventions and programs vary widely across organizations, broadly conceptualized, the scope of responsibility of HRD leadership includes: (a) developing a learning architecture that either supports strategic change and/or adds incremental value to existing strategic direction; (b) screening, adapting, and developing opportunities for incorporating best practices from other companies within the core competencies and strategic positioning of the organization; (c) creating spaces for holding conversations for strategic learning; (d) designing and implementing mechanisms and processes for organizational learning and knowledge management; and (e) establishing HRD metrics assessing the effectiveness of HRD practices that are meaningful to powerful stakeholders in the organization. The possibilities for pursuing this varied agenda are meditated by the dynamics of the political economy. Meeting the challenges inherent in these responsibilities requires advocates who are able to position themselves so that they survive and prosper within the political-economic context and are effective in mobilizing this context to add value at two levels: facilitating strategic learning opportunities that link strategic choices to competitive conditions and provide reflective hearings on opportunities that exist within the intellectual capital of the organization, and selectively developing and implementing learning programs necessary to support the implementation of strategic decisions. Consistent with the definitions provided at the beginning of this article, opportunistic advocacy is the process of consciously working within the patterns of power and influence in the organization to develop a sustainable base of support for HRD interventions that are aligned with the strategic performance and maintenance requirements of the organization.

Defining opportunities and linking agendas among various units in order to create these opportunities is as much an act of statesmanship as it is salesmanship or marketing. Opportunistic advocacy means more than finding a

willing manager to establish a pilot effort for some new HRD program, an activity that, although useful, is in the final analysis representative of tactical rather strategic agency. Rather, opportunistic advocacy involves connecting an HRD agenda to widely ranging trends in the political economy of the organization within the context of shifting agendas among senior executives in the organization, each of whom has his or her own perspective on the shifting business interests confronting their part of the organization and the organization as a whole.

Snapshots from Practice

Consider a couple of "snapshots" of Chief Learning Officer's (CLO) in practice. A CLO in a financial services company ironically had been recruited to lead the corporate learning function shortly before management began drastically cutting back on training activity and downsizing the function across the organization. Rather than becoming demoralized she bided her time, observing the dynamics of the situation. The organization had a long-standing strategy of competing on the basis of delivering superior customer service quality for a slightly higher price. Her CEO was becoming aware of a growing trend of customers saying that his regional managers were less sophisticated than those of competitors. Growing tired of what he perceived to be a growing problem for the company he charged the CLO with giving him a "world class learning function," although he was not clear in his own mind as to what that would involve.

One of the CLO's early moves was to take a group of 18 senior executives off-site to develop a multi-year strategy for positioning learning and development as a source of competitive advantage. Other than the CLO, there was only one other HRD professional in the room. Believing that learning initiatives would have to be driven by the business owners to produce any tangible change, the CLO had the group take a "deep dive" into the business by identifying broader strategic trends relative to customers, competitors, industry dynamics, the company's "own realities," and the broader environment. The group then identified the enterprise-level learning implications as the basis of the learning strategy. The strategic insights from the meeting provided a compelling business case for building a world-class learning capability. The primary output of the meeting was a global learning strategy, which focused critical resources in the six key investment areas: (a) sales skills and culture, (b) leadership and business mastery, (c) technical expertise, (d) technology acumen, (e) learning culture, and (f) learning infrastructure. Each "investment area" was assigned an executive sponsor. The Company's Chief Operating Officer, who over time was to become an invaluable ally to the CLO, was the executive sponsor for the leadership and business mastery invest-

ment area. The CLO was charged with shepherding the broader global learning strategy until it achieved critical mass.

In another company that had a track record of good financial performance in a mature market, a new CEO was concerned with avoiding compliancy on the part of managers throughout the organization. There was no emphasis placed on learning or training and development at the corporate level of the organization. The organization's CLO (also new to the company) comments, "When you come into an organization without a strong tradition of training and development you have to look for 'hooks' and 'opportunities' for getting the conversation started." "I didn't talk about management development, but put on my broader HR hat and worked with (the Vice President of HR) on developing a performance management system." A comprehensive performance management system was developed, including a forced ranking system and a performance based compensation structure. Once the system was put in place, he opened a conversation with the CEO and various general managers of the company's strategic business units about "the need for balancing" the "drivers" in the performance management system with targeted opportunities for helping people to succeed. The CEO, with whom the CLO had established credibility through his work on the performance management system, gave him a budget for developing key programs on "delivering performance." These programs were targeted toward specific groups with ambitious performance objectives, and he found initial support among executives looking for help in growing their businesses in the new environment.

One can, of course, argue that these two snapshots describe HRD leaders doing what they are supposed to do. We agree. It should also be acknowledged that each of these CLOs offered programs that were outstanding in terms of their focus, design, and delivery, demonstrating a high level of competence in their oversight of the pedagogical and program design dimensions of their job. Their learning interventions were designed to have an impact on the ability of their organizations to continue to successfully execute their respective strategies. What is less evident on the surface of these stories is the underlying logic the CLOs applied in each setting. Each carefully assessed the interplay among their organization's business model, trends in the organization, patterns of influence, and the past reputation of the learning function in their organization, building support for carefully selected initiatives. In interviewing these HRD leaders, they articulated what was essentially "tacit knowing" in how they thought about and executed their jobs. We believe this political competence separates them from less successful counterparts we have observed who have much to offer their businesses but fail to effectively position themselves to get their ideas "on the table" and diffused throughout their organizations.

Constructing a Grounded Theory
of HRD Opportunistic Advocacy

There is a need for research that explicates the questions that highly effective senior learning executives ask of themselves as well as the perspectives that they develop as they adjust to the changing contexts within which they find themselves operating. How do new HRD leaders in organizations "take charge" of their function and establish their credibility? What strategies do they adopt to accomplish this "taking charge"? What competencies and methods describe these strategies? How do these HRD leaders relate these strategies to the internal and external political economy? How have HRD leaders learned these strategies? What ways of organizing and positioning the learning function are most applicable within mature markets versus emergent ones, stable markets versus chaotic ones, deregulating markets, mature markets, volatile markets, global versus local markets, or centralized control structures versus decentralized ones, or networked organizations?

Grounded theory is particularly appropriate for answering the questions raised above. Building this body of theory would involve the study of senior HRD executives' actions using the political economy conceptual framework as a focus for interviews, observation, and analysis of archival documents of programs. Figure 2 provides an overview of a preliminary conceptual framework for researching the political economy-based dynamics of HRD advocacy practice. This framework is suggestive of the areas that might be broadly pursued through interview protocols and categories for developing initial coding schemes in developing comparative case studies selected through theoretical sampling.

Some key analytical categories in a grounded theory model might include (a) existing power dynamics that leverage key stakeholder relationships within the organization, (b) the legacy of learning in the organization's culture, (c) the value drivers being created by changes in the organization's planned and emergent strategy as it seeks to capitalize on opportunities in the external economy (deregulation, emergent technology, acquisitions, newly emergent competitors), and (d) the qualitative state of the organization's human capital as a result of past and existing human resource management practices, including hiring, compensation, and career development. Each of these categories can have properties that vary along different dimensions. Power dynamics are influenced by the degree of centralization of the organization's authority structure, the composition of the dominant coalition and interests being served by it, and the extent to which this coalition is supported by OPPs. The legacy of learning in the organization includes how much learning and development has been provided, the reputation of these learning initiatives, whether the organization has leveraged the learning in the service of targeted change and performance improve-
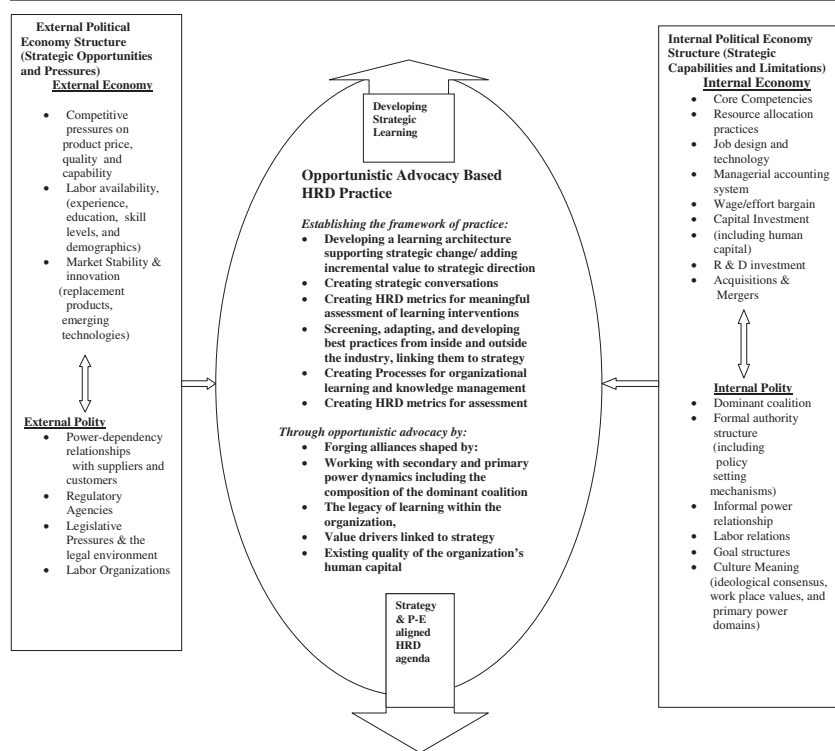
External Political Economy Structure (Strategic Opportunities and Pressures)

External Economy

- Competitive pressures on product price, quality and capability
- Labor availability, (experience, education, skill levels, and demographics)
- Market Stability & innovation (replacement products, emerging technologies)

External Polity

- Power-dependency relationships with suppliers and customers
- Regulatory Agencies
- Legislative Pressures & the legal environment
- Labor Organizations

Developing Strategic Learning

Opportunistic Advocacy Based HRD Practice

Establishing the framework of practice:
- **Developing a learning architecture supporting strategic change/ adding incremental value to strategic direction**
- **Creating strategic conversations**
- **Creating HRD metrics for meaningful assessment of learning interventions**
- **Screening, adapting, and developing best practices from inside and outside the industry, linking them to strategy**
- **Creating Processes for organizational learning and knowledge management**
- **Creating HRD metrics for assessment**

Through opportunistic advocacy by:
- **Forging alliances shaped by:**
- **Working with secondary and primary power dynamics including the composition of the dominant coalition**
- **The legacy of learning within the organization,**
- **Value drivers linked to strategy**
- **Existing quality of the organization's human capital**

Strategy & P-E aligned HRD agenda

Internal Political Economy Structure (Strategic Capabilities and Limitations)

Internal Economy
- Core Competencies
- Resource allocation practices
- Job design and technology
- Managerial accounting system
- Wage/effort bargain
- Capital Investment (including human capital)
- R & D investment
- Acquisitions & Mergers

Internal Polity
- Dominant coalition
- Formal authority structure (including policy setting mechanisms)
- Informal power relationship
- Labor relations
- Goal structures
- Culture Meaning (ideological consensus, work place values, and primary power domains)

FIGURE 2: A Conceptual Framework of Political Economy and Opportunistic Advocacy of HRD Practice

ment, and how centralized the various providers are in the organization. Value drivers vary by strategic type that in turn is likely to have influenced how the organization has developed and maintained its human capital (Raghuram, 1994). These categories combine with one another in a number of different permutations, each of which provides potential opportunities and pitfalls for HRD leadership.

The combinations of the above categories, along with other emergent ones discovered through inductive analysis, shape the possibilities for productive alliances being established by senior learning executives with managers throughout the organization. The processes through which these alliances are established, and the forms that these alliances take, are likely to vary as well in terms of their relative effectiveness. Some alliances are constructed through processes of co-design of the organization's learning strategy, identifying key investment areas with each investment area being assigned an executive sponsor. Other alliances involve providing targeted learning interventions that move forward the strategic agenda of key execu-

tives. Alliances must be forged for the long term because instability of support can be one of the factors that result in HRD initiatives losing credibility among employees. There is a temporal dimension to advocacy (Pettigrew, 1985). Over time advocacy, whether effective or ineffective, creates a new political-economy context within which future action takes place. Advocacy is neither tidy nor linear in its processes and involves both planned utilization of existing resources and the skillful manipulation of fortuitous events.

Comparative case studies of senior HRD leadership practice, fully developed in their context as comparative case studies and analyzed through axial coding (Strauss & Corbin, 1998), can link effective advocacy practices with the specifics of the external and internal political economy. Through analog reasoning, such patterns can help inform HRD practitioners as they decide on courses of action relevant to their own situation. An important qualifier is that the effectiveness of a particular course of action will still be dependent on the capability of HRD executives improvising and executing the right moves for each particular context. This is the artistic dimension of any leadership role, placing bets on realistic probabilities, not certainty.

Implications for Professional Development

Grounded theory models of opportunistic advocacy in HRD leadership also have implications for how we train HRD students. In addition to course content in system approaches to performance improvement, curriculum design, learning theory, group dynamics, course work in political savvy and influence without authority should be part of professional training. Building such awareness and expertise requires both cognitive and experiential learning. Grounded theory models can provide the basis for class discussion comparing the models to student experiences. In the author's courses, visits by senior HRD executives typically result in rich discussions that bring to life case studies as the visitors respond to student questions.

Such class discussions can be supplemented by references to many of the concepts that are available in the leadership literature, which are in turn contextualized to HRD. DeLuca (1992) discusses "mapping the political territory" (identifying the key players in a decision, ranking their power/ influence in the organization and the extent that they are applying their influence for or against a proposal, how easily their applied influence can be changed, and what are the significant relationships that exist among the players). A complex setting can be mapped, visually codifying the intuitive judgments people are holding. Such a map suggests where one can build support by aligning interests, utilizing various intangible "currencies" (Cohen & Bradford, 1990) and "following the credibility path" (DeLuca, 1992). Pfeffer (1992) writes about methods of building alliances and coalitions and how allies can be lost if one is not willing to make the trade-off of

sacrificing some ego. These same constructs can be used as part of the reflective process on student projects and internship experiences.

Conclusion

A political economy model adds power to our understanding of strategic HRD practice in four ways. First, it recognizes the influence of the larger political-economic system on HRD opportunities and practices, and thereby introduces variables largely absent from discussions of performance improvement focused exclusively on organization specific variables. Second, the model recognizes that over the long term, organizational change is a product of prevailing external and internal political economic forces and the pattern of responses to them by organizational members. An important function of senior HRD practitioners is to facilitate the conversations that shape these responses in a way that produces strategic learning. Third, although accepting the interconnectedness of organizational subsystems, a P-E perspective argues for a variety of possible coalitions among functions, the relative diversity and autonomy of political and ideological forces in organizations, and thus places an emphasis on how human agency affects on the systemic balance of the performance improvement system. To paraphrase DeLuca (1992, p. 37), organizations are systems of human action that attempt to act in a rational way, not rational systems that use humans in them. Fourth, a political economy perspective highlights the role played by advocacy patterns in defining and aligning overlapping interests among organizational members in order to facilitate HRD practices and learning in the organization. This has implications for the training received by HRD students, incorporating mental models and methodologies of political savvy into curriculums. A broad-base political economy framework as a lens for developing micro-level theory around patterns of opportunistic advocacy is a potentially powerful approach for improving our formal knowledge of HRD leadership practice.

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