Speaking Right: HRDs Role in Mediating Good Boardroom Conversations

Authors: Nicholas Beech, Jeff Gold, Susan Beech, Patricia Auty

Abstract

Purpose: The paper explores the impact discourse has on decision-making practices within the boardroom and considers how personal proficiency in micro-language use can enhance an individual’s personal efficacy in influencing boardroom decisions. The work employs Habermas' Theory of Communicative Action (TCA) to critique board talk, highlighting the need for greater understanding of the power of everyday taken for granted talk in strategy shaping. It illuminates the contribution that human resource development (HRD) professionals can make to the management of such behaviour and minimising dysfunctional behaviour and enabling effective boardroom practices.

Design/methodology/approach: Traditional governance theory from a business and organisational perspective is provided before considering the boardroom environment and HRD’s role. We undertake ethnographic research supported by conversation analysis to explore how directors employ talk-based interpersonal routines to influence boardroom processes and enact collective decision-making. We provide one extract of directors’ talk to illustrate the process and demonstrate what the data ‘looks like’ and the insights it holds.

Findings: The analysis suggests that the established underlying assumptions and rational ideologies of corporate governance are misplaced and to understand the workings of corporate governance HRD academics and professionals need to gain deeper insight into the employment and power of talk within boards. Armed with such insights HRD professionals can become more effective in developing strategies to address dysfunctional leadership and promote good governance practice throughout their organisation.

Originality/value: The paper considers the role for the development of HRD interventions that both help individuals to work more effectively within a
boardroom environment and support development to shape a boardroom culture that promotes effective governance practice by influencing boardroom practice thereby promoting strong governance and broad social compliance throughout the organisation.

**Keywords**: boardroom, dysfunctional, discourse, ethnography, Habermas, HRD
Introduction

In recent years, there has been substantial growth in the literature focused on corporate governance stimulated by an extensive range of corporate fraud, major corporate failure, abuse of management power, risk taking, conflict of interest and excessive executive remuneration (Plimmer, 2018), highlighted in cases such as Mirror Group Pension Fund (Clark, 1996), WorldCom (Peasnell, et al., 2005), Enron, Arthur Andersen, (Kulik, 2005), Lehman Brothers (Johnson and Mamun, 2012), RBS, HBOS, Northern Rock, Bradford and Bingley (Porter, et al., 2008) Icelandic and Irish bank failure (Howden, 2014) and very recently, Carillion (Plimmer, 2018). Such malpractice was not merely pervasive throughout the corporate sector but also manifested itself by the failure of government to hold to account corporations for noncompliance (MacKenzie, et al. 2014) cross-ownership, lack of transparency (Sigurjonsson, 2009), extreme risk taking and government ideological obsession with privatisation (Wearden, 2018), creating a systemic complacency that lead to the failure of the global banking system. In the UK alone the Government injected £137 billion in loans and capital and £1 trillion in financial guarantees at the peak of the crisis to prop-up the banking system (Mor, 2018).

Other such activities include employment tax avoidance strategies of Google (Rawlinson, 2016), excessive executive pay at Burberry, Sky, Sports Direct, WPP (Neate, and Treanor, 2017) institutionalised deceptive communications and corporate deceit by Volkswagen, (Siano et al, 2017), unethical or even illegal actions of BP, Honda and Shell (Seele and Gatti, 2017) and general demonstration of unethical practices by senior executives to cover up noncompliant practices (Regling and Watson, 2010). Such executive practices are often driven by personal interest and general short-term results (Tricker, 2015). Such activities expose narcissistic tendencies of the managerial elite (Kets de Vries, 1991), hegemonically employing networks of wealth, influence and power to quash resistance. For example, the claims of sexual abuse allegations against Weinstein (Baker, et al. 2017) and the employment of nondisclosure agreements (NDAs) as ‘institutionally’ accepted tools of choice to intimidate and silence victims (Fairclough, 2003). Raising calls in the UK
(Robertson 2017) to both make it an offence for perpetrators to offer money to cover up criminal acts and to remove disclosure liabilities for victims.

Such examples of normative organisational and institutional dysfunctional behaviour demonstrate a complex and systemic problem, which appears ontologically embedded, with many lessons simply not learned (Kirkbride, 2008). This exposes complex dichotomies of institutional competing interests and pressures (Meyer and Rowan, 1997), and suggests good corporate governance practice as nothing more than rhetorical lip service of half-truths (Mintzberg et al, 2002).

To have effective corporate governance it is essential to understand ‘what is going on first rather than hammering theory into the space available’ (Clarke 1998: 62-63:) particularly as it is suggested that the failure of the banking system was an intellectual one, (Lord Turner in FSA, 2009). Decidedly this brings the focus of attention to the strategic apex of organisations, the board and the way the in situ ‘managerial elites’ (Pettigrew & McNulty, 1995) practice their ‘craft’ (Mintzberg, et al., 2002) building the strategic story (Barry & Elmes, 1997) to make decisions, shape strategy and ultimately direct and lead their organisations.

Such activities are based on naturally occurring talk-based interactive routines, split-second interplays making up interpersonal boardroom dynamics (Finkelstein and Hambrick, 1996) that shape the trajectory of their decisions. The ability to craft collective meaning is a central skill (Gardner, 2003) and elites can struggle with a heterogeneity of viewpoints, where everyday interactions can easily erupt into conflict or disagreements, creating dysfunctional boards that neither solve problems nor promote organisational goals.

Therefore, capturing and analysing boardroom talk comes to prominence as leaders set the ethical tone and cultural climate of the organisation, an area that is often underestimated by leaders (Foote and Ruona, 2008) and as such has significant organisational, social and societal implications.
Understanding the use of talk in shaping strategy and instigating managerial power and practice is profoundly important for the future of Human Resource Development (HRD) in the execution of its role in developing and empowering human expertise to improve organisational performance (Swanson & Holton, 2009). This can augment the role of HRD beyond purveyor of learning, training and development or the imposition of management technologies of control and subservience (Townley, 1994), to one of fashioning greater transparency, criticality and collaboration through the power of discourse. HRD can more effectively work with the board to mediate and champion strong corporate governance climates and socially responsible practices.

**Aim and Contribution**

The aim of this paper is to provide an insight into the workings of boards and consider how HRD can support the development of directors so that they can discharge their governance role effectively. Firstly, we consider the key issue of crisis and boards and the role of HRD. Secondly, we consider the broader consequences and systemic power and impact of discourse on the culture and actions within a day-to-day and face-to-face boardroom environment and explore the consequences to the organisation. Thirdly, we consider how HRD can positively take on a talk-based mediation role to enable meaningful compliance to good governance behaviours. The work adopts an ethnographic method to critique the employment of talk within a boardroom context with the purpose of gaining greater insight into boardroom working practices. Fourthly, we focus upon the observable and reportable aspects of boardroom interaction and offer a behavioural study and relational study of corporate governance in practice. Finally, we consider the practice role of HRD in championing good governance practice and the challenges that it may face and provide a tool for more critical reflection on the nature of HRD’s role in the professional world.

There have been studies on the relationships between board practices, processes and effectiveness (Brown, et al., 2012) and linking HRD to board dynamics, organisational alignment (Cumberland and Githens, 2014) and social responsibility (Baek and Kim, 2014). However, research into boardroom
interactions is limited (Brown, et al., 2012) and there are many calls to see ‘first hand’ what goes on within the board and how talk shapes decision-making (Minichilli, 2012). The paper addresses an existing knowledge gap within the field of HRD by drawing on the literature to blend theories and observable and reportable evidence aspects of boardroom day-to-day governance in practice. The paper extends knowledge and understanding within this context and, highlighting the importance for HRD of the significance of ‘discourse’ as an essential tool for enhancing boardroom relationships and decision-making. The paper suggests ways for HRD to more effectively engage with the board to mediate appropriate dialogues so as to enhance boardroom and organisational performance and reflect good corporate practice.

**Theory of Communicative Action (TCA)**

We employed Habermas’ (1979, 1984) theory of communicative action (TCA) as an overarching conceptual framework to critique boardroom strategic talk to support participants’ validity claims (VCs) (Turner, 1988). TCA holds that speakers will employ four types of pragmatic validity claims (VCs) with their interlocutors; namely what *is* truth (and facts) (VC1) the accepted nature of the world. Secondly correctness (VC2) establishment of common ground, social norms setting and legitimacy of positions, status (power of the chair or the Managing Director (MD)) and behaviours in events, this has consequences, for example a meeting protocol can curb the questioning of ‘facts’ (VC1).

Thirdly, truthfulness (VC3) the nature of sincerity and emotional displays can be employed to generate instrumental rationality (Samra-Fredericks, 2005) and give greater legitimacy to relationships, a person demonstrating inner disposition if skilfully executed can add weight to VC1 but also can be a link to VC2, for example demonstrating masculine norms, decisiveness or being forceful can be acceptable behaviours and used as tools to reinforce a validity claim. This tool can gain strength over time and through consistent use can build a subjective perception of personal integrity and thereby strengthen a person’s group position, however an opposite effect could occur if an individual
was to overstep a role as they could be seen as argumentative or rude which could undermine them effectively with them losing face (Goffman, 1967).

Finally, intelligibility (VC4) (Samra-Fredericks, 2005) an accepted linguistic repertoire in style and form within a mutually intelligible language group, effectively acts throughout their lives as socialised (Forester, 1992) that creates normative conditions to base epistemic assumptions to validity. Proficiency in language-use sensitises actors to orators’ rhetorical devices to enable participants to build representational capacities (Forester, 1992;) so as to make more plausible their position.

TCA highlights that communication is more than words and relates to validity claims (Turner, 1988) in everyday communicative practice. It is subtle and skilful and is constituting and constitutive in form. The TCA linked with an ethnographic approach provides a highly suitable method from which to critique boardroom events.

The nature of strategic talk and the employment of such linguistic devices to reinforce interlocutors’ validity claim presents considerable doubt that the process of strategic talk is neutral or is the employment of ‘rational techniques’, (Knights and Morgan, 1991) but also highlights that the ‘truth’ of strategy is not in determination of truth but the consequences of it being defined as true (Samra-Fredericks, 2005). Therefore, the need for analysis of strategy reproduction (Knights and Morgan, 1991) must take account of context, power and social relationships in determining the problem and providing solutions. Such validity claims will be highlighted in the narrative extract.

The Board, Crisis and HRD

The serious short-comings of directors’ participation during board meetings is a key factor in understanding board effectiveness (Bezemer, et al., 2014). Consequently, there have been numerous calls for new and direct investigation into how boards work (Kirkbride, et al., 2008).
HRD professionals and academics cannot negate consideration and scrutiny in this debate, particularly as the role of HRD is to develop, focus and align human capital so that it can lead and support the achievement of both an organisation’s short and long-term goals and thereby secure sustained success (MacKenzie, 2014). A primary role of HRD is the development of both organisational and leadership capability (Peterson, 2008). Thus, HRD ought to play a central role in the development of leadership and management within an organisation and thereby is integral to the organisation’s cultural infrastructure (Kuchinke, 2017) shaping the acceptable operational norms and climate that dictate business praxis. What strategies HRD do and do not do will provide signals to employees that reinforce symbolic messages of what are appropriate actions to be taken; effectively their initiatives socialize, legitimize and institutionalize organisational culture and social action. This especially applies to HRD influence at board level.

However, concern can be raised as to the role HRD undertakes i.e. is it merely a device of implementation or should it be seen in a more holistic institutional developmental role, one that challenges management thinking, and contributes to the development of a more critical and ethical approach to strategic and operational practice (MacKenzie, et al., 2014). The development of effective leadership capability is a fundamental contributor to long-term competitive advantage. Therefore, care is needed to avoid short-term goals that undermine organisational strategic value and long-term wellbeing and counter asymmetric imbalances in business and management relationships.

When considering a boardroom context, the HRD function may not be able to muster sufficient power and respect (Bierema, 2009) to influence events and drive policy (ibid). This said HRD does have the local capability to develop programmes that foster key skills (Peterson, 2008) and attitudes that can influence management decision-making, challenging them to reflect on the consequences of their and their organisation’s actions. Thereby, HRD could provide a counterbalance by developing the leadership skills and background culture where managers are free and willing to ask questions that challenge the
dominant orthodoxies and narratives that surround them (MacKenzie, et al., 2014).

Narratives can become so imbedded within the organisational social norms that they become concealed, obscured and shrouded within the everyday routines of practitioner life, subtly sabotaging organisational intent. The HRD profession needs to become more critical of not only what is done at work but how and why the decisions taken are justified (Bratton and Gold 2015), as without such critical challenge HRD merely becomes an instrument of social compliance. This includes gaining deeper awareness of text, context and sub-text and the symbolic nature of action and inaction both within the boardroom (Goffman, 1967) and throughout the organisation, particularly exposing corporate silence as a form of institutional complicity (Wettstein, 2012).

Such mediation would require a more critical and dialogical approach to HRD linking micro-macro levels that is strategically aligned throughout the organisation creating a counter narrative that challenges institutionalised norms and thereby champions open cultures that reflect society as a whole.

**Discursive Institutionalism and Dysfunctional Behaviour**

Taking on an agency mediation role recognises that organisations work in a wider environment (Misangyi et al. 2008) of a dynamic socialising process, enacting multi-level dialogues. This exposes normative, mimetic, and coercive forces that engender institutional isomorphism (Caemmerer and Marck, 2009) that influence actors and vice versa, shaped through different historical paths, rationalist incentives and cultural frames (Schmidt, 2008) creating a social evolution that legitimises and homogenises values and actions (Beckert, 2010). New organisational members do bring alternative socialised interpretations into a specific institutional logic, which either support or challenge the current internal thinking (Pache and Santos, 2010). How these inputs are addressed will then influence the evolution of the organisation.
This discursive institutionalism exposes how ideas are shaped within institutions through policy narratives, discourses and accepted frames of reference which construct and reconstruct actors' understanding of the interests that drive their intentions (Schmidt, 2002). This creates a dynamic narrative that shapes ideas, a living and collaborative discourse working across formal and informal institutional networks. This process helps actors to make sense of their world and thereby explains change (and continuity) in institutional and organisational settings (Schmidt, 2002). Even though norms and ideas are separate concepts they are dynamic, not static and are in constant flow where actors search for meaning, learn ideas, following institutional norms and language use, learning by living the discursive experience.

A living organism simultaneously presents containing structures that enable interaction and shape meaning, “background ideational abilities” (Schmidt, 2008, p.305), internal to the agent’s sentient acts that underpin their ability to make sense of and act within a given meaning context, following the ideational rules of that setting i.e. dynamically constructing their organisation. Their “foreground discursive abilities” enable them to effectively communicate about their organisation to maintain or change them (p. 305).

Through discourse, actors agree normative ideas, legitimatised through appeal, that build values and reinforce collective coherence (March and Olsen 1989). Such norms are shaped and framed through anecdotes, myths and stories, to build congruency and coherence of collective memories (Cunliffe, 2011) and thereby socially constituted ways of working. Thus, setting the rules of decision-making provides accepted shortcuts, uncontested regularities and rationalities of institutional behaviour and discourse (Schmidt, 2008), setting memetic patterns that provide a dynamic repertoire of accepted ideas and discursive actions (Schmidt, 2008).

Discursive institutionalism promotes change through persuasion and active agents’ discussions to make a collective sense of their world (Wieck, et al., 2005) linking to identify beliefs, interest of others and self (Petit 2006). Building a collective coherence and consensus establishes group norms and thereby
shapes teams, organisational and institutional cultures and practices. However, such action may also initiate institutional divergence and engender institutional heterogeneity through competing isomorphic pressures (Beckert, 2010) with organisations diverging from social or institutional norms through idiosyncratic hegemonic interoperations of circumstances to accommodate specific agendas and interests. Such fashioned interpretations can build a common belief and legitimisation of intra-social norms that may present inter-societal cultural conflicts and dysfunctional behaviour.

Dysfunctional behaviour is a broad term and includes team, organisational and institutional levels as well as varying in degrees of excess ranging from counterproductive, wrong-doing and recklessness to corrupt practices and networks (Kulik, 2005). However, many have the potential of detrimental consequences on organisational performance or even destruction to catastrophic societal collapse (McKenzie et al. 2011). Dysfunctional behaviour impacts the affective and psychological state of both the instigator and victim (Cortina, 2008) and creates accepted and socialised norms (Reio and Ghosh, 2009). These can augment into deviant amplifying behavioural spirals (Andersson and Pearson, 1999) that become permitted and encouraged through the acquiescence of others, as they become the organisational cues reinforcing the cultural norms that guide behaviour (Prati, et al., 2009). Here followers’ inaction provides the background (Dimaggio and Powell, 1983), that legitimises leaders’ behaviour (Padilla, et al., 2007) mirroring, avoiding or supporting and thereby allowing an unchecked narcissistic personality to grow.

This can be seen in the Global Financial Crisis of 2008, key leaders and managers were committed to excessive success and nurtured organisational cultures solely to achieve this (Probst and Raisch 2005). There were clear warnings in the Enron collapse of 2001 of what Stein and Pinto (2011) portray as ‘gangs-at-work’ where leaders could inspire immorality and/or illegality which might provide short-term success but eventually result in ruination for organisations, staff and society. Such warnings were not just ignored but served to encourage a ‘manic’ response that increased risk-taking and pursuit of behaviours which resulted in the catastrophic credit crisis of 2008 (Stein, 2011).
What were HRD practitioners and some academics doing while all this was happening? It seems that far too often, under pressure to prove their legitimacy and value to organisations, HRD might also have helped feed excessive risk and a failure to provide critique of decisions made by leaders. As MacKenzie et al. (2014) suggest, in a bid to influence business strategy, HRD strategy had to ensure it aligns and supports that strategy. Further, as the promoters and providers of leadership development programmes, such efforts may have played subservient roles to more dominant forces of achieving results at any cost, rather than enabling critique and questioning of directions (MacKenzie et al. 2014). Such failings were evident in the UK where reports that examined corporate governance in UK banking found that challenge in the boardroom was ‘seriously inadequate’ (Walker, 2009, 52), “with inadequate control, unduly narrow focus and serious excess” (Ibid, 13).

Bratton and Gold (2015) call for a more critical pedagogy for emerging HRD professionals and highlight the need for existing HRD professionals, to focus on evidence to support the importance of learning in organisations (Camps and Luna-Arocas, 2012) that are reflective of societal values. This includes highlighting the need for HRD professionals to more critically challenge their own assumptions and help others challenge theirs as part of a more holistic development of good leadership practice.

We now consider, through fine-grained analysis, the power of naturally occurring boardroom talk-based interactive routines, how they build value claims that shape meaning and praxis, providing insights to inform HRD practice.

**Methodology**

Surveys, questionnaires and interviews do have some value but do not provide the depth necessary to reveal the relational dynamics of boardroom life (Pettigrew and McNulty, 1995). At best they provide only a second-hand perspective. To gain deep insights as to what directors actually do in the board
they must be observed first hand ‘in situ’ (Samra-Fredericks, 2005) and gain an appreciation of that lived experience. The work applied in situ ethnographic observations supported by conversational analysis to generate rich insights of how on-going talk-based power effects are a process of irremediably situated and relational practice of order (Jayyusi, 1991).

**Sample**

Unlike conventional management groups, accessing business elites (board) is problematic and conventional sampling is not feasible (Hill, 1995) and the sample was based on opportunism.

The board was a Regional Committee of an established executive institute of conventional board structure. The board was made up of 8 directors, a paid managing director (MD), a non-executive chair and 6 non-executive directors (including lead researcher) and a secretary. The board met 6 weekly and comprised of 6 males and 2 females. Meetings followed conventional boards in structure, process and conduct and provided a valid group to study.

The analysis draws on four three-hour, audio recorded, observations of board interactions (comprising over 65,000 words). Only one extract is provided due to the articles size constraints.

**Ethnographic Method**

To achieve such rich insights an ethnographic approach was adopted to observe what they say, what they do and how they justify it as part of their everyday routines to gain a corporeal knowledge (Bourdieu, 1999) of such behaviours. Participants were observed in their natural setting (Fielding, 1993), from the viewpoint of the subjects of the study.

Ethnography is rooted in an interpretative paradigm, holding that there are multiple interpretations of reality, which are projected and filtered through webs of meaning (Draper, 2015) shaping forms, patterns, discourses and practices.
Such meaning is surfaced through rituals, symbols and languages including jargon that is dialectically entwined within culture and cultural resonation, and as such cannot be ignored in the research process exposing how actors are both the subjects and creators of their own meaning (Hannabuss, 2000). From an interpretivist perspective, ethnography cannot claim a ‘true’ picture of events but can provide ‘thick’ narrative-based descriptions (Geertz 1973) of events that took place from which insightful interpretations can be developed. It is an iterative-inductive process with collection, analysis, and writing inextricably linked, that help to surface the lived experience.

This places great onus onto the researcher to have an adequate understanding of the symbolic world of the subjects so that deeper insights and explanations can be surfaced, rather than quantification, of social behaviour (Willis and Trondman, 2000). A researcher taking on the role of both narrator and actor is never totally neutral as personal embedded beliefs cannot be erased nor can the fact that their very presence can influence events. Further, researchers walk the tightrope between the risk of bias as the naïve outsider or ‘going native’ therefore the researcher’s reflexive skill must be considered.

**Conversation Analysis**

Conversation Analysis (CA) (Sacks, 1972) was applied to gain rich contextualise insights of these face-to-face talk-based interactions that embraces both verbal and non-verbal on-going construction or reproduction of discursive social life. Such approach requires painstaking positive listening to key phases or inflections in the voice to expose actors’ repertoire of taken-for-granted methods of everyday talk acts (Berger and Luckmann, 1967). A crucial ‘resource’ for indexing including noting trivial forms of language-use such as turn-taking, adjacency pairs, metaphors and personal pronouns and their employment in shaping congruency of social order (Samra-Fredericks, 2000)

**Analysis and Triangulation**
All the meetings were observed, and audio recordings with associated transcripts allows for repeated re-examination of the boardroom discussions (Bloor and Wood, 2006); and therefore, were not limited by the selective attention or recollection of the observer.

A triangulation approach was adopted, integrating other data sources including interviews and shadowing discussions, taking field notes (including boardroom layout) and analysis of other documents: minutes, agendas, planning documents, handouts, presentation slides, flipcharts and emails. Such artefacts and other influences can provide comparative perspectives and reframe events (Balogun et al, 2014).

The act of transcription, reviewing transcripts with the recording, note taking and triangulation to other external sources helped to freeze and distil observations (Edwards and Lampert, 1993). This provided a degree of physical and emotional distance enabling a more reflexive role of observing, reflecting, and revisiting assumptions to build a readiness to accept the ‘surprise’ of unpredictability (Willis and Trondman, 2000) exposing deeper insights.

**Findings**

The following transcription conventions are used to indicate events within the extract:

<table>
<thead>
<tr>
<th>Transcription Conventions</th>
<th>Theory of Communicative Action (TCA) – Validity Claims (VC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(. )</td>
<td>(VC1) Truth and facts</td>
</tr>
<tr>
<td><em>Italicics</em></td>
<td>(VC2) Correctness, behaviour, legitimacy, contextual norms</td>
</tr>
<tr>
<td>=</td>
<td>(VC3) Truthfulness, sincerity, emotional displays</td>
</tr>
<tr>
<td>[ ... ]</td>
<td>(VC4) Intelligibility</td>
</tr>
</tbody>
</table>

° ° Degree signs are used to indicate that the talk they encompass is spoken noticeably quieter than the surrounding talk.

Participants:
The following extract was taken from boardroom observations and demonstrates a range of linguistic resources and skills, including the employment of discourse markers, turn-taking, adjacency pairs, back-channelling, fillers, expletives, and framing and reframing discourse events supporting validity claims (VC). It demonstrates punctuated dialogical action and the how meaning is shaped and contested by interlocutors. In isolation, each element can seem insignificant; however, when combined each utterance provides progressive step-by-step minor moves (Boden, 1995) building collective meaning. There was evidence of the MD managing the meeting flow by guiding and draw the attention of participants to salient areas in support of their agenda.

**Background to extract**

The discussion centred on the new regional magazine a unique local initiative driven by the MD there was a branding issue with the National HQ; a challenging and sensitive issue for directors. The extract is part of an ongoing ‘turn-by-turn’ narrative applying normative discourse conventions. The reader should note that preceding extracts and previous board and informal meetings were influential antecedents building common norms and relationships setting the context for this meeting extract.

On commencement of the MD set the scene, something he regularly did at the start of a meeting and for agenda items. In previous meetings and as indicative linguistic antecedents the MD had demonstrated emotionally commitment with phrases such as ‘damn fine job,’ ‘last few years’ and a ‘lot of effort’, implicit value statements (VC3) about the success of a project, its longevity and embedded commitment to the initiative.

**Extract**
MD: When they got wind that it was happening, they confronted me, (.) ganged up on me in a meeting, it was kind of funny and the only thing they could actually genuinely challenged me on is the fact the […] is inside the […] in […] (Note: an issue centre on position of a letter in the brand).

It’s coming back to what we were saying about brands earlier … it’s real emotive unfortunately, but in reality everything else stood up for the right thing to do. The reason it got highlighted was I was in a national strategy meeting and actually one of the other regional directors said why the Hell can’t we get something like they have up in Yorkshire, everybody turned around and went, (.) ‘Why, what do you have?’ (.) That was it, (.) that was the moment.

D2: You can see why the […] is the reason they just don’t want it.

D1: = Wait until it goes national in one of the … it’ll go back to that logo won’t it!

MD: Probably yeah, (.) let’s lead the way. ° °

D4: Just on that subject though, you’ve got the various branches in different colours deliberately, what are the guidelines with the […] logo about it being put in white against a coloured background because I thought you were … I know we pushed it on the mastheads e-magazine, but are they comfortable with that do you know?

MD: Well it depends, (.) if we were really going to get pushed on it and actually could you do that centre panel with the whole of the […] colours being in the top corners, you could in theory. We need to have a look at the brand documents at the right time.

D4: I’m a brand manager myself, I brand manage brands on behalf of lots of different organisations. I do understand the importance of making sure that you get brand consistency. I do understand the prickly nature of corporate entities when they want to protect the brand issues at stake.

MD: =We’ve got to make it stand on its own two feet and not worry about doing branding just by doing the right things and let it show for itself in the right way.

D5: Also, as well looking at some sort of kickback system so it becomes a revenue earner for […] as well potentially.
MD: =We’d have to get this to a position of it generating good revenue for all three parties.
D3: =That’s that win/win situation?
MD: Yes, that’s perfect isn’t it? (.) It saves us then, but it’s worth the investment for both time and money for both of us and actually it makes our jobs easier, that is one of the points of this.

Throughout the meeting directors demonstrated positive support to the MD, following established behavioural protocols; turn-taking and placing verbal comments and nonverbal markers (nodding, smiling, demonstrations of listening) at appropriate times to show support, demonstrating ‘correctness’ (VC2). Furthermore, a common repertoire of linguistic tools including jargon and business metaphors setting tone was employed reinforcing ‘intelligibility’ (VC4).

Directors D1 “Wait until it goes national … it’ll go back to that logo” and D2 “You can see why … they just don’t want it” raised concerns about branding (reinforcing a truth as fact (VC1); the MD avoided discussing the branding details and instead attempted to reinforce a collective identity, by embellishing emotional components “let’s lead the way” and “the right thing to do” reinforcing truthfulness (VC3) correctness (VC2) and legitimacy of action (VC1). Here the MD subtly challenged the ‘national branding’ strategy by re-depicting the facts to legitimise his position by offering alternative ‘right actions’

The MD employed further personal pronouns and membership categorisation device (MCD) (Samra-Fredericks, 2000), to distinguish between “they” the HQ and “me” the MD ‘we’ the board (Boden, 1995). The MD emphasised opposing positions with “they confronted me”, “they ganged up on me” and “funny the only things they could actually genuinely challenged me on”, clearly differentiating his/our and their position (Forester, 1992). Adding vocal inflections on “genuinely” and “the right thing to do” reinforced truthfulness (VC3) to truth (VC1) and correctness (VC2).

D1 and D2 comments prompted support by D4, who utilised a range of linguistic tools including personal pronouns linked to MCD “I manage brands”,
professional jargon “protect the brand” reinforcing D4 personal credentials and raising issues of face what are the guidelines with the [...] logo”, demonstrating all 4 VCs. D4 also demonstrated metaphors, in a calming tone of voice, “the prickly nature” raising the brand issue without directly confronting MD’s position and helping to save face.

Further D4 used “I thought you were” but, after a pause, then changed his phrasing (self-repairing (Macbeth, 2004)) to “I know we pushed it on the mastheads”, demonstrating a sensitivity and alignment of his group position in employing the collective ‘we’, which was repeated throughout the meeting as if tempered to conform to the group protocols.

D4’s metaphor “prickly nature” provided a linguistic turn, an opportunity for the MD to enter the discussion to ‘point make’ reinforcing facts and moral position (VC1-3) by saying, “stand on its own two feet”, “doing the right things” and “let it show for itself in the right way” supported with discourse markers ‘well’ and ‘but’ (Schiffrin, et al. 2003) employed to mitigate potential conflicts in the conversation. The MD employing VC1-3 further built on the comments from D5’s metaphor “kickback system” and “revenue earner” and D3’s question of “win/win situation” reinforcing his position with “Yes, that’s perfect isn’t it” and “generating good revenue” focusing on the benefits and avoiding brand issues.

It was evident that the MD demonstrated a theme of moving conversation from the brand throughout the discussion. In the case of D4 the MD’s response was, “well it depends, if we were really going to get pushed”, was built on and mitigated with “we need to have a look at the brand documents at the right time”. The MD’s emphasis on “right time” avoided the issue by pushing it to a notional later date, whilst still allowing him to reinforce the morality “doing the right thing” and “in the right way” which was further reinforced by indexing their relationship through collective personal pronouns (“we were saying about brands earlier”) clearly building VCs 1-3 throughout the meeting.

The MD built on this by suggesting that other regions, in part, supported his position and wanted to partake in the initiative: “other regional directors said
why the Hell can’t we get something like”, with an inflection on “Hell” building emotional content (VC3) but also surfaces his use of membership categorization devices (MCDs). MDC was also employed against the HQ as an adversary “they ganged up on me” and “the only thing they could actually genuinely” to reinforce his position and actions. The action presents an ‘us’ and ‘them’, depicting two sets of others with the ‘regions’ supporting his right (VC2) agenda, projecting a broader established consensus and collective cohesion (Boden, 1995), forging a collective identity (Gardner, 2003).

Metaphors and metonymic idioms were evident throughout the meeting “ganged up on me”, “stand on its own two feet” and “prickly nature” are evident in play often linked with emotional emphasis (Cunliffe, 2011) providing emphasis influencing participants conceptualisation of the world (Gibbs, 1994). The MD’s everyday social talk interactions (Cunliffe, 2011) were calm and jovial as he maintained his relationships with the board, throughout he employed metaphorical contextual clues to build an interrelationship story that linked the local (board) with the regions as a semantic process (Coulson, 2006), building his version of truth. This was acknowledged and supported by amicable backchannelling (nodding, smiling, looking attentive) of other members demonstrating a lexical currency and normative familiarity of interlocutors (Lakoff, 1987).

During this extract the Chair said nothing, however their support for the MD was evident throughout through their actions of backchanneling, a theme that was evident in other meetings.

It was evident that formal agenda and minutes were used to manage the boards events but (minutes) as a record only provided superficial details of decisions. In later 1-2-1 discussions with directors said they were aware of the decisions but had little recollection of the details of how the dialogue had played out.

Discussion
What was significant but cannot be easily recorded was that talk was influenced through linguistic inflection reinforcing meaning and maintaining the professional climate and focus of the board, reinforced by backchanneling by interlocutors that shaped validity claims. The MD appeared to manage board dialogue employing a diverse range of linguistic tools to invoke dominant symbolic resources (Berger and Luckmann, 1967) including applying emotions and inequality (Pierides, 2007) thereby shaping the board relationships and decisions.

The MD portrayed the HQ and the other regions as ‘the other’ to legitimise his agenda and build collaboration within the board but also reinforcing his moral position. The MD fashioned a local pragmatic consensus, construction of accepted truth test. Pragmatic validity claims provide a minimum standard or adequacy, rather than rigorous scrutiny i.e. does it work and provide an immediate solution. Such an approach offered a local application of the facts which enabled the MD to place his own validity claims and strategy over that of the other directors’ concerns that build a collective resilient validity and coherence.

It was evident that VCs 1-4 were employed throughout the meeting, but little detail of such was recorded in the minutes or noted in conversations outside of the boardroom, reinforcing the ‘taking for granted’ and mundane nature of strategic talk (Alvesson and Sveningsson, 2003). Whilst management decision making is portrayed as rational, one can see deeper drivers at work, namely emotions and power games. Considering strategy as living practice raises the need for greater attention to be given to backgrounds and underpinning social workings including emotions and political agendas (Fleming and Spicer, 2014). This raises the importance and power of language use as the constitutive forces that enact practice (Foucault, 1982) as words ‘systematically form the objects of which they speak’ (p49) and exposes their potential in developing ethical practitioners.

The work highlights that communication and language use is more than words, grammar, and syntax, it also involves validity claims (Turner 1988). Effective
language use sensitises interlocutors to an orator’s rhetorical skill as they construct credible claims (Samra-Fredericks, 2005). In this case the MD’s dialogical skill and fashion stories (Barry and Elmes, 1997) that drew on the Habermas’ schema of four knowledge domains, that progressively built accepted interpretations of their external subjective world. The MD’s narrative unfolded word by word, image by image and story by story demonstrating practical reasoning as a means of reproducing a social order reinforced by role status, rhetorical style and accepted group norms.

All meetings were amicable in nature, in style and flow of the dialogue, one that embedded a normative pragmatic tone effectively building a pragmatic consensus. Interlocutors appeared to inadvertently assume the MD’s proposal as correct, reinforced by the chairs passive support. This refocused the board on implementations rather than asking the question should they be doing this in the first place, suggesting that the central decision itself had been subtly circumvented. Conforming to the board’s amicable and pragmatic tone, directors offered minimal challenge to agenda items, a compliant acquiescence that maintained consensus. Effectively directors were complicit in building a background of “destructive consent” (Grint, 2005) offering only shallow challenges or ‘constructive dissent’.

Such acquiescence can provide substantial unchecked openings for dysfunctional behaviour to subtly grow and become the socialised norms (Reio and Ghosh, 2009) amplifying spiralling dysfunctional behaviours (Andersson and Pearson, 1999). Acquiescence permits, encourages and provides organisational incentives and cues that reinforce the cultural norms (Prati, et al, 2009).

Conclusion

Discourse is embedded in powerful background narratives of neoliberalist capitalism and masculinity which drive a dominant performative and financial narrative that is endemic across organisations. Such subtleties of language use have substantial organisational consequences, an area that could in part
be addressed through greater learning and development, bringing HRD centre stage.

Strategy is a lived practice dialogically formed, an inter-subjective process, where language is taken-for-granted as routine and mundane (Alvesson & Sveningsson, 2003) that shapes the way of being. It influences events, as interlocutors fashion validity claims through *in situ* talk that fashions governance practice. Effective boardroom actors are skilled in the employment of all facets of their linguistic repertoire and can convey coherent and convincing stories to their peers whilst working within the established normative settings.

**Implications for HRD**

The work calls for a reconceptualisation of HRD as a mediating role moving from a traditional functional focus of efficiency and compliance and being an instrument of privileging managerial elite (Bierema, 2009), to focus on addressing deep organisational governance and leadership issues. HRD could reconfigure the nature of dialogue, building collaborative and critical conversations that promote appropriate and sustainable relationships across the organisation (Ulrich and Brockbank, 2005) that both accommodate multiple stakeholder needs and reflect broader social demands but also raise greater awareness of the power of language in influencing decision-making. HRD would take on a more profound role, building capability and contributing to the development of knowledge, skills, behaviour, and values (MacKenzie, et al., 2014).

This uncovers many major issues for HRD. Firstly, to embed good governance practice within the boardroom HRD must work more closely with boards and the specialist professional who services the governance function. HRD/M must raise awareness of the power of day-to-day discourse in shaping ‘strategy as practice’ and expose how it is intertwined, embedded and influenced by other ‘discourses’ such as ‘capitalism’ and ‘masculinity’. Central is the awareness of how culture is shaped and embedded within an organisation particularly through ‘mimetic isomorphism’ (DiMaggio and Powell, 1991) so that leaders
can build a culture that encourages practitioners to have confidence, motivation and skill to offer meaningful ‘constructive dissent’.

Whilst providing conventional director development programmes and other initiatives such as; boardroom assessments, periodic reviews of board size structure, monitoring chief executive officers (CEO), board and company performance, HRD must be help directors to go beyond understanding their fiduciary duties to include the power of micro boardroom ‘talk’ and how its shapes strategy.

Ideally there would be an HR Director on the board to help facilitate such intervention but that said HRD needs to work much more closely with the Chair and support them in their pivotal role of overseeing the development of the board (Pettigrew & McNulty, 1995). This raises the prominence of HRD in supporting the Chair’s board developmental role and focusing on how dialogue is employed to develop directors, encouraging information sharing, management of agendas and creating a collaborative climate encouraging constructive dissent in which everyone feels engaged and responsible (Bloch, 2005). This would include providing practitioners with the tools to recognise the early signs of dysfunctional behaviour so professional relationships are maintained and good decisions are made.

Achieving the above will build professional relationship through effective dialogue which in turn shape the culture of the board and organisation into taking ownership and crafting of governance. That said it is noted that directors are not always fully aware of the way the dialogue has been played to shape events raising the call for greater understanding of talk and its power effect particularly in boardroom decision-making.

Closer working with the broader executive team presents HRD with the opportunity to act in a mediating role, providing a macro-micro linkage, shaping both culture and discourse within the board and the broader organisation to reflect the needs of society. But to do this HRD needs to promote a greater insight into the power of talk as a management tool. Only then, and working
with key decision makers, can HRD effectively champion good governance practice.

References


presented at Australian and New Zealand Marketing Academy, Melbourne, 30/11/09 - 2/12/09.


Cunliffe, A. L. (2011), Crafting qualitative research: Morgan and Smircich 30 years on, *Organizational Research Methods* 14 (4); 647-673.


Howden, D. (2014), The Icelandic and Irish Banking Crises Alternative Paths to a Credit-Induced Collapse, The Independent Review, 18, 3, Winter


Mor, F., (2018), Bank rescues of 2007-09: outcomes and cost, Briefing Paper, Commons Library Briefing, No. 5748, 8 October


Pierides, D (2007), *Presented at Research Impacts: Proving or improving?*  The Australian Association for Research in Education International
Educational Research Conference, University of Notre Dame, Western Australia, Freemantle, 25th-29th of November.

Plimmer, G. (2018), *Carillion collapse set to cost taxpayer at least £148m*, Financial Times 7, June


Rawlinson, K. (2016), “Google agrees to pay British authorities £130m in back taxes.” the Guardian, 23 January,


Robertson, G. (2017), An exclusive interview with the woman who fought to bring Harvey Weinstein to justice two decades ago by Emily Maitlles. 19th December, BBC News Night,


Sigurjonsson, T., O. (2009), The Icelandic Bank collapse: challenges to governance and risk management, Corporate Governance: The international journal of business in society, 10 (1) 33-45


Walker, S. D. (2009), A Review of Corporate Governance in UK Banks and other Financial Industry Entities, (Final Recommendations) HM Treasury, London,

