Lordly Management and Its Discontents: 'Human Resource Management' in Pakistan

Saqib, S. I., Allen, M. M. C, and Wood, G. (forthcoming), 'Lordly Management and Its

Discontents: 'Human Resource Management' in Pakistan', accepted for publication in Work,

Employment and Society.

Abstract

New institutionalism increasingly informs work on comparative human resource management

(HRM), downplaying power and how competing logics play out and potentially providing an

incomplete explanation of how and why 'HRM' and associated practices vary in different

national contexts. We examine 'HRM' in Pakistan's banking industry and assess how

managers' espoused views of HRM practices reflect prevailing ones in dominant HRM

models, and how they differ from early-career professionals' perceptions of these practices.

The cultural script of 'seth' influences managers' implementation of HRM policies and

competes with the espoused HRM logic. We argue that managers will pursue a 'seth' logic

when managing employees, as it reproduces existing power differentials within companies.

By doing so, they render 'HRM' unrecognizable from dominant models. Indeed, by using the

term 'HRM', much of the existing, new institutionalism-influenced literature rationalizes a

particular view of organizations and management that is inappropriate and analytically

misleading in emerging economies.

Keywords: Culture, employee perceptions, HRM, institutional logics, new institutionalism

Pakistan

1

Lordly Management and Its Discontents: 'Human Resource Management' in Pakistan

Introduction

Studies that seek to explain how human resource management (HRM) varies across countries often adopt one or other perspectives from new institutionalism in organizational analysis (Gooderham et al., 1999; Lewis et al., 2019; Paauwe and Boselie, 2003, 2007), typically incorporating wider social and cultural scripts into their analysis (Paauwe, 2004). However, in common with much of the broader new institutionalist literature (DiMaggio and Powell, 1991: 13; Greenwood et al., 2008: 7; Whitley, 1999), it largely downplays power and how different social actors compete for control over economic logics. Consequently, studies cannot explain what 'HRM' and its associated sets of organizational practices are in different national contexts. We build on Brewster's (2004: 371) insight that national culture is an integral part of 'HRM' and is not an antecedent to it. This perspective contrasts with new institutionalism's view of culture as an independent variable (DiMaggio and Powell, 1991: 8–9), as something that 1) is distinct from actors and 2) has negligible material consequences. We examine the interplay between culture and actors to examine power and actors' concerns to reproduce existing hierarchies within organizations.

We analyse 'HRM' in Pakistani banks, assessing how managers' espoused views of key 'HRM' practices reflect practices that are prevalent in dominant models, and how early-career professionals' perceptions of those practices differ from those typically associated with 'HRM'. In doing so, we examine how the key cultural script of '*seth*' influences managers' implementation of espoused HRM policies. We, therefore, assess which of these two competing logics – a 'HRM' one, which conforms to prevailing professional norms, and a '*seth*' one – most influences how managers in our focal firms manage their employees.

Seth is a Hindi-Urdu word literally meaning rich man or high-status individual. More broadly, being a *seth* is not just about being wealthy or having a high status. It denotes a way of managing people that emphasizes authority, hierarchical distinction and the maintenance of the status quo, allowing for the arbitrary interpretation and implementation of seemingly immutable rules (Nizami et al., 2017; Pearson, 1976; Rahman, 1998). Under *seth*, workplace transactions are not primarily commercial/economic, but also include a non-cash dimension, reflecting notions of reciprocity and mutual obligations (Pearson, 1976). Therefore, high-status managers and their favourites tend to exhibit an authoritarian paternalism, with a strong sense of entitlement, where subordinates have little authority and are supposed to be 'yes men or women' who do the *seth*'s bidding (Nizami et al., 2017; Saini & Budhwar, 2013; see also, more broadly, Perveen & Dasti, 2014).

We critically review the literature on new institutionalism in organizational studies and its application to analyses of 'HRM'. In line with new institutionalism's emphasis on 'taken for granted' scripts and schema that help actors to make sense of situations (DiMaggio and Powell, 1991; Scott, 1995), *seth* represents a model for managers to follow, influencing how they manage their subordinates. Moreover, existing studies that draw on new institutionalism tend to view 'HRM' in a broadly positive way, assuming that is associated with practices that focus on employee well-being, meritocratic rewards, and employee voice (Lewis et al., 2019).

However, new institutionalism does not typically examine the links between culture and any material and status inequalities or their reproduction (Beckert, 1999), treating culture as a normative, immaterial and apolitical script. Studies of 'HRM' that draw on new

institutionalism do not, therefore, analyse how managers may be able to use cultural scripts more coercively to cement their positions of power within companies, reproducing existing hierarchies for their own material gain. Our review raises the expectation that the *seth* logic is likely to dominate the 'HRM' one, fundamentally altering what 'HRM' *is* and making enacted 'HRM' practices quintessentially different to espoused ones.

To assess this expectation, we examine the views of managers and other employees in Pakistani banks on their organization's 'HRM' practices. We find that managers espoused a view of 'HRM' that follows dominant models that focus, for instance, on employees as 'key assets', staff training, performance-related pay, and voice mechanisms to promote employee satisfaction (Guest, 1987; Marchington et al., 2016; Paauwe, 2004). However, employees' perceptions of 'HRM' differ markedly, highlighting how favouritism, the arbitrary interpretation of rules, and a lack of employee voice, which are all consistent with *seth* culture, transform 'HRM' practices, so that they reinforce existing power and material differences.

We, therefore, go beyond existing studies that argue that different socio-cultural contexts influence HRM (Boon et al., 2009; Boxall and Macky, 2014; Edwards et al., 2016; Lewis et al., 2019; Paauwe and Boselie, 2003). Such studies suggest that HRM exists, as an apolitical and immaterial dimension of management, in some recognizable form, merely varying by degree in different contexts. Instead, we examine how such contexts render 'HRM' unrecognizable from dominant models.

By doing so, we build on research that explores the political and material motives and consequences of work (Thompson, 2003, 2011), and seek to examine how competing

institutional logics co-exist, potentially leading to power conflicts around practice (Roulet, 2019). We, therefore, contribute to an emerging body of work that 1) develops a more contextualized and less management-focused approach to 'HRM' research (Delbridge et al., 2011), 2) analyses how organizations manage their employees as an important aspect of the sociology of work (Halford and Strangleman, 2009), and 3) reconnects HR research with institutional theory that emphasizes the dual ideational and material aspects of culture (Sewell, 1992).

Literature Review

New institutionalism in organization theory focuses on organizational stability and actors' efforts to maintain legitimacy (DiMaggio and Powell, 1983, 1991: 12). It draws on the idea that, within organizations, 'common understandings about what is appropriate and, fundamentally, meaningful behaviour' (Zucker, 1983: 5) are powerful, leading actors to conform to those understandings that they take for granted and have legitimacy (Meyer & Rowan, 1977 cf. Jepperson, 1991). Actors seek to meet legitimacy expectations that mental scripts and schema represent (Beckert, 1999; Garud et al., 2007). Importantly, this approach highlights how there is no universal rationality that pervades organizations (Farndale and Paauwe, 2007; Paauwe and Boselie, 2007).

However, a major criticism of new institutionalism is its portrayal of actors as 'cultural dopes' (Colomy, 1998; Hirsch and Lounsbury, 1997: 409; Perrow, 1985; Powell and Colyvas, 2008). Actors, in effect, become the unwitting carriers and embodiment of institutions. In its initial formulation, new institutionalism downplayed how actors can deviate from taken-for-granted assumptions about how they are expected to behave or from their institutionalized 'scripts' and rules (DiMaggio and Powell, 1991; Farndale and Paauwe,

2007; Greenwood and Hinings, 1996; Zucker, 1983). Consequently, much research within new institutionalism neglects actors' material and ideal interests (Beckert, 1999; Colomy, 1998; Lewis et al., 2019; Perrow, 1985; cf. DiMaggio, 1988), as it often conceives routines, scripts and schema to be apolitical and, at least in the short term, immutable (DiMaggio and Powell, 1991).

Two recent developments within institutional theory that build on new institutionalism seek to overcome this relative neglect of actors and their agency (Lewis et al., 2019). These perspectives are 'institutional work' (Lawrence et al., 2009; Lawrence and Suddaby, 2006) and 'institutional logics' (Thornton et al., 2012; Thornton and Ocasio, 1999, 2008). Although they differ in important ways, they share similarities (Zilber, 2013), which, we argue, mean that they do not fully consider material interests in their analyses, resulting in a reluctance to anticipate the possibility that material interests, embedded within cultural scripts, may dominate professional logics or motivate institutional work.

Institutional logics are 'the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time, and space, and provide meaning to their social reality' (Thornton and Ocasio, 1999: 804); they provide the basis for the interpretation of organizational reality (Roulet, 2019; Thornton, 2004). 'Institutional work' refers to 'the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions' (Lawrence and Suddaby, 2006: 215). This perspective assesses 'the efforts of individuals and collective actors to cope with, keep up with, shore up, tear down, tinker with, transform, or create anew the institutional structures within which they live,

work, and play, and which give them their roles, relationships, resources, and routines' (Lawrence et al., 2011: 53).

Social constructionism – the principles, symbols, words and arguments by which actors provide meaning to their daily activities – is a key aspect of the institutional logics approach (Thornton et al., 2012: 2) and institutional work paradigm (Lawrence et al., 2011: 53; Morgan and Hauptmeier, 2014). Consequently, both argue that actors' material interests are socially constructed through frames of reference, as does new institutionalism (Alford and Friedland, 1991: 251; DiMaggio and Powell, 1991: 28; Lawrence et al., 2011; Lawrence and Suddaby, 2006; Meyer and Rowan, 1977; Scott, 2001: 65; Thornton and Ocasio, 2008).

As a result, both approaches eschew explanations based on 'real', material interests. For instance, the aspiration of the institutional work perspective is not to arrive at a model that *explains* or *theorizes* those patterns of intent; it is to *understand* them as well as actors' capacity to conduct institutional work (Lawrence et al., 2009: 6). Similarly, the institutional logics perspective assumes, prior to any analysis, a parity among the different logics; the prevailing institutional logic or mixture of logics depends on the specifics of any given situation and requires empirical analysis (Alford and Friedland, 1991; Greenwood et al., 2010; Roulet, 2019). In the institutional logics approach, narrow material interests are not the main factor that explain organizations' activities and decisions (Lounsbury and Ventresca, 2008: 458; Ocasio, 1999; Thornton et al., 2012: 2).

By contrast, we argue that material interests and the possibility of material gain are likely to play a key role in shaping actors' interests, priorities and behaviour (Boon et al., 2009; Vidal and Peck, 2012), leading to systematic similarities in actors' behaviour across specific

organizational contexts. In very unequal societies with limited opportunities for upward advancement, the stakes are likely to be much higher, vesting the material dimension with greater importance (Hyden, 2016).

New institutionalism perspectives have influenced a diverse and growing body of empirical 'HRM' research (Björkman et al., 2007; Farndale and Paauwe, 2007; Lewis et al., 2019; Paauwe, 2004; Tatoglu et al., 2016). We argue that new institutional analyses of 'HRM' within emerging-economy firms 1) downplay the role of interests in how managers manage their employees, 2) apply the label 'HRM' to employee management, and 3) implicitly assume that managers implement practices associated with dominant HRM models.

For instance, research compares 'HRM' in domestic firms to that in foreign multinational enterprises' subsidiaries (Edwards et al., 2016; Kostova, 1999; Tatoglu et al., 2016), often neglecting local employees' views (Delbridge et al., 2011) and how managers enact 'HRM'. Similarly, Björkman et al. (2007) draw on new institutionalism to examine the 'HRM' practices of foreign MNCs' subsidiaries. Focusing on the isomorphic pressures on those subsidiaries, they argue: 'The HRM practices viewed as appropriate in the local context are likely to be embedded in the values and behavioural norms shared by people in this environment' (Björkman et al., 2007: 433). This quotation raises two issues. First, it highlights the importance of the appropriateness or legitimacy of 'HRM' practices, and assumes that employees in the local context share the same values and norms, downplaying the possibility of diverse views. It does not specify which groups judge 'HRM' practices to be legitimate and which, potentially, do not. Consequently, it discounts the effect of different interests as well as power and some groups' potential ability to adopt practices that benefit themselves at others' expense. Second, it presupposes that norms and values will not shape

how organizations in the host countries *manage their employees*; they will, however, influence the '*HRM*' practices that Björkman et al. (2007) define.

Other studies draw on new institutionalism to examine 'HRM' practices in MNCs' foreign subsidiaries and rely on quantitative evidence from a single management respondent (Edwards et al., 2016: 1003; Tatoglu et al., 2016: 283), making it difficult to assess how employees actually experience 'HRM' practices. Such research also often assumes that, if a manager indicates a 'HRM' practice is present, its operation adheres to dominant HRM models, rewarding employees and improving organizational performance. Other work focuses on the different and often competing institutional pressures that influence actors' behaviour (Tempel and Walgenbach, 2012), paying particular attention to MNEs. While this work incorporates material resources into the analysis, it does not examine how subsidiary managers' material interests influence their actions (Tempel and Walgenbach, 2012), neglecting how institutional logics can co-exist to create power conflicts around enacted practices (Roulet, 2019).

Diverging from existing research that tends to presuppose that 'HRM' exists in some recognizable form in many emerging-market firms, we anticipate that managers in our focal firms are likely to pursue the institutional logic of *seth* rather than a 'HRM' one or, put another way, to perform institutional work that maintains or increases their material privileges and status. Specifically, managers will implement training programmes, performance-related reward schemes, and employee-voice mechanisms to benefit themselves or a small group of employees whom they favour materially and/or in terms of their status. By implementing policies in this way, managers fundamentally alter them, meaning they no longer conform to the policies they espouse and, hence, to dominant HRM models. We,

therefore, ask 'how does the cultural and material *seth* script influence existing organizational hierarchies and 'HRM'?'

Research Perspective and Design

To capture the complexity of perceptions and context, we adopted a comparative case study approach (Kessler and Bach, 2014). Using 'light theorization' (Kessler and Bach, 2014: 169), we chose our focal companies because they have contrasting characteristics that offer a tentative, but feasible *a priori* explanation of how *seth* may alter espoused HRM practices (Ackroyd and Karlsson, 2014). Our firms are all banks, but have different histories, making them more or less likely to have elements of *seth*. By focusing on one industry in one country, we minimized any variation in the national legislation for different sectors. To assess how *seth* may influence 'HRM' in different settings, we analysed domestic banks only. Although foreign banks may have provided a good contrast to domestic ones, their potentially different cultures and use of expatriate managers may minimize the influence of *seth* culture. Additionally, most foreign banks have exited Pakistan, reducing access opportunities. We anticipate that early-career professionals' views of the same nominal 'HR' practices will differ to managers' a result of variation in *seth* in the different banks with more recently founded and private banks displaying less *seth* influence.

We conducted semi-structured interviews with HR/senior managers and early-career professionals, enabling our analysis to incorporate multiple perspectives (Beer et al., 2015). We selected early-career professionals from the millennial generation (Kultalahti and Viitala, 2015); this generation's values are likely to differ to those of previous ones, potentially leading them to challenge the *status quo* that traditional working systems perpetuate (Kultalahti and Viitala, 2015). Early-career professionals do not uniformly represent a

modernizing influence; among this group, may be those who would prefer to return to a presumed pre-feudal Islamic past (Javaid, 2011). However, our sample consisted of business-school graduates; Pakistani banks usually recruit early-career professionals from business schools.

Furthermore, these professionals often study Western models of management in Anglo-American business-school curricula (Khilji, 2003) that emphasize meritocratic principles and that often cover dominant models of HRM; many of these professionals may, therefore, question the legitimacy of *seth* culture (Nizami et al., 2017) and how it affects how managers manage. We based our sampling on convenience and snowball sampling. In two banks, senior or HR managers provided access to young professionals. In others, we established contact via social media. We assured interviewees of their anonymity and informed them that we were collecting data for research purposes only.

Initially, we conducted 16 exploratory interviews to reveal key contextual aspects of how Pakistani banks managed their early-career professionals. In these interviews, *seth* emerged as a strong theme that permeated the industry; we, therefore, focused on *seth* in the final stage of data collection, in which we conducted 65 interviews across five domestic banks. The banks are a large privately owned bank (LPV), a large publicly owned bank (LPB), a medium-sized private bank (MPV), a 'semi-large' private bank (SLPV) and an Islamic bank (MIB). Of the young professionals, 69 per cent were male. Table 1 shows the number of interviews by level and bank.

Table 1 about here

The interview guides drew on Huselid's (1995) HRM model and its associated highperformance work practices (HPWPs). We asked the HR/senior manager to describe the existing recruitment and selection, training and development, compensation, and careerdevelopment practices, and communication and voice mechanisms. We asked the junior professionals for their perceptions of the same practices.

We digitally recorded and transcribed all but four interviews, which lasted, on average, 40-45 minutes. We edited the transcripts and made analytical notes (Saldaña, 2015). We used thematic analysis, allowing themes to emerge rather than relying solely on the existing literature (King, 2012). As an additional step, two of the paper's authors independently compiled their own codes and themes to cross validate them (Lincoln and Guba, 1985). To help us manage our data, we employed the CAQDAS software NVIVO; we did not use it to identify codes or themes, however.

Findings and Analysis

We present our findings in two sections. The first establishes that HR/senior managers espouse models of HRM that conform to dominant models; we also provide evidence for the existence of *seth* culture as manifested through employees' perceptions of 'HRM' practices which clash with the espoused ones. In the second step, we analyse how *seth* influences the implementation of 'HRM' policies in different banks.

Espoused HR Policies and Seth Culture

The HR/senior managers in all of our sampled banks portrayed their organization's HR practices in ways that were consistent with Huselid's (1995) HPWPs. Other than a comprehensive employee survey, HR/senior managers reported the existence of HPWP related to recruitment and selection, orientation, training and development, performance management (based on a forced distribution system), career development, performance-related pay, and voice mechanisms.

We found a discrepancy between espoused 'HR' practices and implemented ones: HR/senior managers provided a much more positive account of employee-management practices than did junior professionals (see below). For example, a HR manager from MPV highlighted the integrated nature of the orientation and training programmes to develop well-rounded banking professionals:

We induct them and train them for about three months and then we put them into operations so they know what it means to be an operating person and how it is to work in a branch. We [now] have a training academy right here.

Similarly, the HR Director of SLPV noted the strategic nature of his bank's career development system:

The [talent management] process is run by HR and owned by the CEO. Once you start identifying high potentials then they get an individual development profile, which goes into a great amount of detail and says what an individual will be doing, what are his [sic] future potential roles, and how can he be developed, trained and mentored.

Likewise, the HR Director of LPV indicated a link between career development training and compensation management:

For all the 14000 staff, we have a talent classification system. We have both high potential contributors and low performers. Based on this, we take decisions regarding their career, training and compensation.

The HR Director of MIB commented on the bank's performance management system and its rigorous nature:

I think any initiative, the objective of which is more accountability, initially causes resistance, but then employees realize that there are benefits as well. And our scorecard helps us to reduce the subjectivity element of the performance management system.

The HR representative of LPB, a public bank that has gone through some restructuring and job losses, offered similar sentiments:

Since 1995 till date [now] I have seen a 360-degree shift in the HR practices in my organization. What I perceive is that my whole organization in terms of services, information technology, business, operations, has shifted from traditional practices to modern ones.

Thus, HR directors espouse HR practices that conform to important HRM models. However, their perspective does not provide us with a clear picture of how these practices operate for employees, whose perceptions of 'HRM' practices differ significantly to managers' portrayal of them. Evidence from employees suggest that 'seth culture' largely explains this discrepancy.

In the following discussion, we detail how different *seth* elements fundamentally transform these 'HRM' practices. Table 2 presents a summary of our coding process. We gleaned from the quotations first-order codes related to different aspects of *seth* and then amalgamated

these into second-order themes. Finally, we show how different HR policies are influenced by specific elements of *seth* culture (Braun and Clarke, 2006).

Table 2 about here

We found that early-career professionals had very negative perceptions of training and development, performance appraisal, compensation, career development and employee engagement. We attribute this negative perception of HRM to the different elements of the *seth* culture.

Seniority

HPWPs typically seek to empower employees and create workplaces that reward good performance. However, a *seth* culture means that that there is a clear organizational hierarchy that the enacted appraisal system reproduces; appraisal systems in our focal banks do not operate independently from that hierarchy. Indeed, early-career professionals' most negative perceptions related to performance-management systems. Salman, a young professional from the treasury department of LPB, noted:

The people are [put in the assessment pool] from different levels and that's the worst part. You cannot rate a senior vice president with a 'C' grade and assistant vice president with an 'A' grade. You just can't do that.

Salman's behaviour conforms to the hierarchical, authoritarian and paternalistic elements of *Seth* culture, transforming a practice designed to differentiate between employees' performance into one that reproduces existing hierarchies and seniority levels.

Maintenance of the Status Quo

Another characteristic of *seth* culture is the emphasis those in power place on staying in power, potentially resulting in a lack of information sharing and employee involvement in decision making. Thus, the banks' early-career professionals questioned the efficacy of employee engagement systems and communication and voice mechanisms (Ali, MPV):

Our HR president sometimes calls a meeting of branch managers and asks us if we have any issues. But we are afraid to speak in that forum [.... If we do raise an issue,] the president will acknowledge the issue for the time being, but we are scared [of being] reprimanded later about it.

Others commented on the (un)fairness of the compensation system; for instance, Adnan a marketing professional, from SLPV noted:

Then how the bonus is distributed [is not transparent]. Your group gets the bonus pool. Then your group head divides the [bonus] pool amongst the staff. Unfortunately, in my group, I have seen that the division is arbitrary and not based on the appraisal.

Thus, bonuses, information and decision-making powers reproduce existing power differentials.

Favouritism

Another feature of *seth* culture is that it disproportionately favours the 'in group' or close family and friends (Saher and Mayrhofer, 2014). A statement by Nadeem from MPV reflects the perception that the career development system was often unfair:

They [managers] are giving promotions on the basis of favouritism and acquaintances.

The policy is there, but it is not implemented [correctly]. Only fifty per cent of the policies are implemented and fifty per cent are not.

Thus, the presence of an important element of *seth*, the preferential treatment of favoured people (Islam, 2004), means that employees have negative perceptions of the key functions of the HRM systems.

Inefficient Bureaucracy

Another element of *seth* culture is that, while rules and regulations exist, managers view them as onerous and as impediments to their autonomy. They, therefore, arbitrarily decide which to implement. Saba, a female interviewee from LPV, whom her previous boss was bullying, noted:

Yes, there are policies and procedures. There is a lot of what you have to do in terms of regulations like coming in on time, dressing up, and how to behave with your boss. But when a subordinate has issues or faces problems with a senior who is four or five designations above you, HR doesn't play a role.

Paternalism and Patriarchy

The roots of *seth* culture are based on a paternalistic style of management in which traditionally the head of the family or the business is seen as the patriarch who 'looks after' his charges; this element is also manifested in HR practices that defer to the management 'patriarch'. A recently hired management trainee, Alina, expressed her sentiments about senior management

I think they need to stop treating senior managers like gods and they should realize that they are training smart people so treat them like smart people, maybe they will retain something and not be so hateful. You don't learn if someone is treating you like that. Paternalism also leads to significant status differences between managers and those they manage that amounts to more than formal lines of authority. The early-career professionals we interviewed indicated that they thought top managers were distant from lower-level employees, failing to communicate with them adequately and understand their work.

Khurram, an employee from the planning department of MPV, noted

Even though the top management had a big celebration at a fancy hotel after our brand relaunch, the employees on the ground have not been told what this change actually means.

Thus, different elements of the *seth* culture fundamentally alter the nature of 'HRM' policies, often resulting in employees having negative perceptions of them.

Seth's Impact in Different Banks

We found that the prevalence of *seth* culture varied slightly among the five banks: employees in banks with a weaker presence of *seth* culture had slightly less intense negative perceptions of 'HRM' practices. This is perhaps because the impact of *seth* on HR policies seems to be pervasive even in the newer banks that were never under state control. This highlights how the influence of *seth* is deeply rooted and continues to thrive despite liberalization and privatization policies (Khilji, 2003).

However, there is a stronger effect of the nationalized era that permeates LPB, which the government owns and influences, than there is in the other banks; this 'nationalized era' influence led to a more pervasive *seth* culture in LPB compared to the other banks. The preservation of the status quo, characteristic of *seth*, is achieved in various ways, such as the

'HR' function not sharing information about employee benefits, as Rehan, a relationship manager from LPB, experienced:

The thing is nobody bothers. [HR should] make things more approachable or at least let people know such things [such as certain benefits] are there. But I believe that in my organization there is a lack of culture of information sharing.

A female professional, Sara, from LPB, also highlighted the rigidly embedded hierarchies and associated rules:

There was an internal circular in the organization saying that an officer grade 1 to 3 cannot send an email to seniors who are assistant vice presidents or vice presidents.

LPV is a large, recently privatized bank. There was, at best, a partially successful push from the top management to abandon the old management style. Kamal, a foreign exchange dealer in LPV, described how the old style of working was still visible in some departments:

I think there are basically two cultures: the old [LPV] and the new [LPV]. The new [LPV] has people with a modern outlook. There are certain departments where this has proliferated, like my department [treasury] and corporate. Then there is the old [LPV] that is a relic of the pre-privatization era.

Our interviews with SLPV's HR manager suggested that the bank wanted to cultivate an image of a modern progressive bank with huge investments in hiring high-potential employees; however, aspects of *seth* culture still pervaded many of its HR policies. Danish from SLPV mentioned how top managers' apathy affected HR practices:

You need [to ask] to read the medical policies. You need [to ask] to see the car policy and the health benefit facility. Generally, this information should be available to all

employees, but lower staff have to fight for them. [...] All [pay] increments go to top people and people in the middle get nothing.

Young professionals in MPV, in general, had fewer negative perceptions of 'HR'; however, as a military foundation owns MPV, hierarchical differences are evident. A branch officer, Waqar, who had difficulty meeting his targets, noted:

The team leaders/management should be aware of the field problems. If the management has not risen from the grass-root levels, then they are not able to understand the problems which have arisen from the grass-root levels.

In MIB, an Islamic bank, despite the fact that some managers talk about a slow shift in the ways in which things are done, the bank still had a rigid set of regulations that were adhered to, as mentioned by Farhan working in the compliance department

It's a very bureaucratic sort of department, not even the department the whole bank is full of bureaucracy, so even if there is a small approval it needs to go through [i.e. requires approval from] the head of the department.

Thus, the *seth* culture pervaded all banks, regardless of their history, ownership or size; this clashes with, and overrides, the prescriptions of dominant HRM models. Indeed, one of the HR managers, who herself was a young professional, highlighted how hierarchy, a key *seth* aspect, permeated many of the interactions between the HR department and employees. This HR manager (MPVHR 1) had a group of employees who were scared to file an official complaint:

Regardless of how much you assure them [the junior employees] to share grievances with HR, it doesn't make a difference, because the blame is put on the little guy at the end of the day.

Discussion

We found evidence that elements of *seth* culture pervade all five of our focal banks, despite their different histories and ownership characteristics. However, this culture does not shape, in a neutral way, the legitimacy or acceptability of particular policies, as previous research suggests (Aycan et al., 2007; Paauwe and Boselie, 2007); managers in firms in Pakistan enact the *seth* cultural script to reflect and enhance their material interests, reproducing existing hierarchies.

For instance, managers espoused a view of 'HRM' that conforms to dominant models that emphasize the meritocratic nature of appraisal systems, extensive training for some early-career professionals and market-based compensation. However, actual practices differ markedly from the ones managers espouse. Our evidence suggests that merit does not underpin appraisal systems. Similarly, seniority rather than merit alters remuneration practices, including the distribution of bonuses, so that senior managers receive the highest bonuses. *Seth* also leads to managers arbitrarily selecting which policies they enact. This selection by its very nature signals to employees managers' power and status, confirms managers' position within the organizational hierarchy. Such practices run counter to dominant HRM models that seek to reward staff on merit, incentivize employees and link employee behaviour to organizational objectives (Guest, 1987; Huselid, 1995; Marchington et al., 2016).

Consequently, researchers should use labels, such as 'HRM', cautiously in analysing organizational practices in Pakistan. By using the term 'HRM' uncritically, there is a danger that researchers fall into a trap that Alford & Friedland (1991: 260) highlighted of 'elaborating the rationality of the institutions they study, and as a result, becom[ing] actors in their reproduction.' Using the term 'HRM' in Pakistan may legitimize and rationalize a particular view of how managers manage employees that is both inappropriate and analytically misleading. In mainstream accounts, including those that examine 'HRM' in emerging economies, the term 'HRM' has broadly positive connotations (Aycan, 2005; Lewis et al., 2019; Paauwe and Boselie, 2007), assuming an emphasis on employee well-being, productivity and the importance of employees to the success of organizations (Marchington et al., 2016). Applying the term 'HRM' to the practices that managers use to manage employees in Pakistan legitimizes those practices and, inadvertently, reproduces existing power differentials between different employee groups.

Our research suggests, therefore, that we should understand the primary analytical category of 'HRM' within its 'historical and institutional specificity' (Alford and Friedland, 1991: 260), meaning we need to analyse how individuals and groups interpret and use the term over time and in different locations. In the Pakistani firms we examined, managers tend to use 'HRM' to maintain and, potentially, enhance their material and status advantages over many other workers. HR research that builds on new institutionalism downplays this possibility (Aycan, 2005; Lewis et al., 2019), neglecting how a 'material self-interest' logic can override a 'HRM' logic. By doing so, the material self-interest logic renders 'HRM' policies that dominant frameworks link to employee well-being, performance-related rewards and firms' competitiveness into practices that reinforce and accentuate existing material and status

differences between managers and their favoured employees, on the one hand, and all other lower-level employees, on the other. The institutional work approach neglects how managers perform 'institutional work' to reproduce existing material and status differences. Managers do not simply do institutional work to maintain *seth* culture in an apolitical way that has insignificant material consequences. By maintaining *seth* culture, managers are able to reproduce their social power and status, disrupting and negating the aims of 'HRM' in dominant HRM models.

Organization-centred new institutionalism often downplays how material considerations motivate actors' behaviour. Many workers have limited opportunities for social advancement in emerging economies. When coupled with high levels of societal inequality, the risks to employees of losing their existing socio-economic status become greater, moulding managers' and employees' behaviour. Although this may, primarily, have been a problem within particular emerging markets (Hyden, 2016), worsening inequality and social mobility as well as the rise of zero-sum politics in the USA suggest that the differentials between some developed and emerging economies are attenuating. In turn, this challenges how we theorize embeddedness, and may shed further light on how specific groups of insiders may use institutional resources to suit their purposes.

Our research, therefore, makes a theoretical contribution, indicating that institutional approaches that study how managers manage employees in emerging economies should assess the role of material interests. Developments in new institutional theory emphasize agency (Lewis et al., 2019); however, actors remain strangely apolitical, neglecting the lack of consensus amongst groups and the contested nature of some policies and practices. In new institutionalism, competing logics or actors' efforts to perform institutional work guide their

actions; however, reflecting its interpretivist underpinnings (Morgan and Hauptmeier, 2014; Vidal and Peck, 2012), new institutionalism analyses do not assess actors' desires to gain materially from their actions.

There are, potentially, two ways to overcome this shortcoming. First, theoretical perspectives on 'HRM' in emerging economies that draw on new institutionalism could incorporate notions of constructed self-interest, and how these influence managers' efforts to maintain their positions and privileges and their management of employees; such theory and research would not presuppose that managers pursue a 'HRM' logic/perform 'HRM' work that culture moderates in a neutral way. Alternatively, theory that explains the management of employees in emerging markets could draw on other institutional approaches that emphasize how institutions co-constitute actors, fundamentally shaping, but *not determining*, their interests (Morgan and Hauptmeier, 2014) and meaning that culture has ideational and material aspects (Sewell, 1992).

Conclusion

Our research suggests that a focus on 'how managers manage their employees' – rather than on 'HRM' – would strengthen the analysis of organizations and their employees in Pakistan. This broader and more neutral analytical focus would dispense with preconceived ideas about the nature and behaviour of individual and collective actors and institutions; it would capture more accurately the role of actors as well as their motives and justifications for those actions. In addition, it would facilitate a wider analytical scope, enabling researchers to examine how broader cultural factors influence the implementation of practices and how those practices, potentially, reproduce existing hierarchies within firms and society more broadly.

We focused on banks within Pakistan; this industry is present in developed countries, potentially creating the desire in Pakistani banks to pursue of logic of a professional HRM that conforms to dominant models. However, managers in other industries in the formal economy may not seek to gain from pursuing that logic. Similarly, employees in banks in Pakistan have often learnt about dominant HRM models during MBAs, potentially making them more aware of the discrepancies between the policies and practices of espoused HRM and those that managers implement. Employees in other sectors may be less aware of how espoused employment policies diverge from dominant practices.

We focused on firms in one sector in one country at a particular time; we caution against assuming that a 'seth-like culture' pervades other sectors in Pakistan and other emerging economies. Moreover, we do not examine how the tensions between the 'seth' and 'HRM' logics develop over time. Yet we argue that seth and related cultural attitudes and behaviours are a useful lens to study how managers manage employees in other former British colonies that may exhibit shades of this culture. Our findings certainly indicate the need to scrutinize how 'HRM' really operates in emerging economies.

References

Ackroyd S and Karlsson JC (2014) Critical realism, research techniques, and research designs. In: Edwards PK, O'Mahoney J, and Vincent S (eds) *Studying Organizations Using Critical Realism*. Oxford: Oxford University Press, pp. 21–45.

Alford RR and Friedland R (1991) Bringing society back in: Symbols, practices, and institutional contradictions. In: Powell WW and DiMaggio PJ (eds) *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, pp. 232–263.

- Aycan Z (2005) The interplay between cultural and institutional/structural contingencies in human resource management practices. *International Journal of Human Resource*Management 16(7): 1083–1119.
- Aycan Z, Al-Hamadi AB, Davis AJ, et al. (2007) Cultural orientations and preference for HRM policies and practices: the case of Oman. *The International Journal of Human Resource Management* 18(1): 11–32.
- Beckert J (1999) Agency, entrepreneursm and institutional change. The role of strategic choice and institutionalized practices in organizations. *Organization Studies* 20(5): 777–779.
- Beer M, Boselie P and Brewster C (2015) Back to the future: Implications for the field of HRM of the mutlistakeholder perspective proposed 30 years ago. *Human Resource Management* 54(3): 427–438.
- Björkman I, Fey CF and Park HJ (2007) Institutional theory and MNC subsidiary HRM practices: evidence from a three-country study. *Journal of International Business*Studies 38(3): 430–446.
- Boon C, Paauwe J, Boselie P, et al. (2009) Institutional pressures and HRM: developing institutional fit. *Personnel Review* 38(5): 492–508.
- Boxall P and Macky K (2014) High-involvement work processes, work intensification and employee well-being. *Work, Employment and Society* 28(6): 963–984.
- Braun V and Clarke V (2006) Using thematic analysis in psychology. *Qualitative Research in Psychology* 3(2): 77–101.
- Brewster C (2004) European perspectives on human resource management. *Human Resource Management Review* 14(4): 365–382.
- Colomy P (1998) Neofunctionalism and neoinstitutionalism: Human agency and interest in institutional change. *Sociological Forum* 13(2): 265–300.

- Delbridge R, Hauptmeier M and Sen Gupta S (2011) Beyond the enterprise: Broadening the horizons of international HRM. *Human Relations* 64(4): 483–505.
- DiMaggio PJ (1988) Interest and agency in institutional theory. In: Zucker LG (ed.) *Research* on *Institutional Patterns: Environment and Culture*. Cambridge, MA: Ballinger, pp. 3–22.
- DiMaggio PJ and Powell WW (1983) The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* 48(2): 147–160.
- DiMaggio PJ and Powell WW (1991) Introduction. In: DiMaggio PJ and Powell WW (eds) *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago

 Press, pp. 1–38.
- Edwards T, Sánchez-Mangas R, Jalette P, et al. (2016) Global standardization or national differentiation of HRM practices in multinational companies? A comparison of multinationals in five countries. *Journal of International Business Studies* 47(8): 997–1021.
- Farndale E and Paauwe J (2007) Uncovering competitive and institutional drivers of HRM practices in multinational corporations. *Human Resource Management Journal* 17(4): 355–375.
- Garud R, Hardy C and Maguire S (2007) Institutional entrepreneurship as embedded agency:

 An introduction to the special issue. *Organization Studies* 28(7): 957–969.
- Gooderham PN, Nordhaug O and Ringdal K (1999) Institutional and rational determinants of organizational practices: Human resource management in European firms.

 *Administrative Science Quarterly 44(3): 507–531.
- Greenwood R and Hinings CR (1996) Understanding radical organizational change: Bringing together the old and the new institutionalism. *Academy of Management Review* 21(4):

- 1022–1054.
- Greenwood R, Oliver C, Sahlin K, et al. (2008) Introduction. In: Greenwood R, Oliver C, Suddaby R, et al. (eds) *The Sage Handbook of Organizational Institutionalism*. London: Sage, pp. 1–46.
- Greenwood R, Díaz AM, Li SX, et al. (2010) The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization Science* 21(2): 521–539.
- Guest DE (1987) Human resource mangement and industrial relations. *Journal of Management Studies* 24(5): 503–521.
- Halford S and Strangleman T (2009) In search of the sociology of work: Past, present and future. *Sociology* 43(5): 811–828.
- Hirsch PM and Lounsbury M (1997) Ending the family quarrel: Toward a reconciliation of 'old' and 'new' institutionalisms. *American Behavioural Scientist* 40(4): 406–418.
- Huselid MA (1995) The impact of human resource practices on turnover, productivity, and coporate financial performance. *Academy of Management Journal* 38(3): 635–672.
- Hyden G (2016) Beyond the liberal democracy paradigm: A fresh look at power and institutions. *African Studies Review* 59(3): 169–180.
- Islam N (2004) Sifarish, sycophants, power and collectivism: Administrative culture in Pakistan. *International Review of Administrative Sciences* 70(2): 311–330.
- Javaid U (2011) Thriving fundamentalism and militancy in Pakistan: An analytical overview of their impact on the society. *South Asian Studies* 26(1): 9–18.
- Jepperson RL (1991) Institutions, institutional effects and institutionalism. In: Powell WW and DiMaggio PJ (eds) *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, pp. 143–163.
- Kessler I and Bach S (2014) Comparing cases. In: Edwards PK, O'Mahoney J, and Vincent S (eds) *Studying Organizations Using Critical Realism*. Oxford: Oxford University Press,

- pp. 168–184.
- Khilji SE (2003) 'To adapt or not to adapt' Exploring the role of national culture in HRM A study of Pakistan. *International Journal of Cross Cultural Management* 3(1): 109–132.
- Kostova T (1999) Transfer of strategic transnational practices: Organizational perspective. *Academy of Management Review* 24(2): 308–324.
- Kultalahti S and Viitala R (2015) Generation Y challenging clients for HRM? *Journal of Managerial Psychology* 30(1): 101–114.
- Lawrence T, Suddaby R and Leca B (2011) Institutional work: Refocusing institutional studies of organization. *Journal of Management Inquiry* 20(1): 52–58.
- Lawrence TB and Suddaby R (2006) Institutions and institutional work. In: Clegg SR, Hardy C, Lawrence TB, et al. (eds) *The SAGE Handbook of Organization Studies*. 2nd ed. London: Sage, pp. 215–254.
- Lawrence TB, Suddaby R and Leca B (2009) Introduction: Theorizing and studying institutional work. In: Lawrence TB, Suddaby R, and Leca B (eds) *Institutional Work:*Actors and Agency in Institutional Studies of Organizations. Cambridge: Cambridge University Press, pp. 1–27.
- Lewis AC, Cardy RL and Huang LSR (2019) Institutional theory and HRM: A new look. *Human Resource Management Review* 29(3): 316–335.
- Lincoln YS and Guba EG (1985) Naturalistic Inquiry. London: Sage.
- Lounsbury M and Ventresca M (2008) The new structuralism in organizational theory.

 Organization 10(3): 457–480.
- Marchington M, Wilkinson A, Donnelly R, et al. (2016) *HRM, Strategy and Corporate Social Responsibility*. London: Kogan Press.
- Meyer JW and Rowan B (1977) Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology* 83(2): 340–363.

- Morgan G and Hauptmeier M (2014) Varieties of institutional theory in comparative employment relations. In: Wilkinson A, Wood G, and Deeg R (eds) *The Oxford Handbook of Employment Relations: Comparative Employment Systems*. Oxford: Oxford University Press, pp. 190–221.
- Nizami B, Tirmizi F and Baloch F (2017) S*th–The four letter s-word in corporate Pakistan.

 Available at: https://profit.pakistantoday.com.pk/2017/04/18/the-four-letter-s-word-in-corporate-pakistan/.
- Ocasio W (1999) Institutionalized action and corporate governance: The Reliance on rules of CEO succession. *Administrative Science Quarterly* 44(2): 384–416.
- Paauwe J (2004) *HRM and Performance: Achieving Long Term Viability*. Oxford: Oxford University Press.
- Paauwe J and Boselie P (2003) Challenging 'strategic HRM' and the relevance of the institutional setting. *Human Resource Management Journal* 13(3): 56–70.
- Paauwe J and Boselie P (2007) HRM and societal embeddedness. In: Boxall P, Purcell J, and Wright P (eds) *The Oxford Handbook of Human Resource Management*. Oxford: Oxford University Press, pp. 166–184.
- Pearson MN (1976) Symposium: Decline of the Mughal Empire. *The Journal of Asian Studies* 35(2): 221–235.
- Perrow C (1985) Review: Overboard with myth and symbols. *American Journal of Sociology* 91(1): 151–155.
- Perveen S and Dasti HA (2014) Feudalism: A Pastime of Power, Economic and Political influence in Pakistan. *Pakistan Vision* 15(1): 59–75.
- Powell WW and Colyvas JA (2008) Microfoundations of Institutional Theory. In:

 Greenwood R (ed.) *The SAGE Handbook of Organizational Institutionalism*. London:

 Sage, pp. 276–298.

- Rahman T (1998) Cultural Invasion and Linguistic Politeness Among English-using

 Pakistanis. Islamabad. Available at: https://sdpi.org/publications/files/R19-Cultural

 Invasion and Linguistic Politeness.pdf.
- Roulet TJ (2019) Sins for some, virtues for others: Media coverage of investment banks' misconduct and adherence to professional norms during the financial crisis. *Human Relations* 72(9): 1436–1463.
- Saher N and Mayrhofer W (2014) The role of Vartan Bhanji in implementing HRM practices in Pakistan. *The International Journal of Human Resource Management* 25(13): 1881–1903.
- Saini DS and Budhwar PS (2013) Managing the human resource in India: Perspectives & challenges. In: Varma A and Budhwar PS (eds) *Managing Human Resources in Asia-Pacific*. 2nd ed. Abingdon: Routledge, pp. 126–149.
- Saldaña J (2015) The Coding Manual for Qualitative Researchers. 3rd ed. London: Sage.
- Scott WR (1995) *Institutions and Organizations: Ideas, Interests and Identities*. Thousand Oaks, CA: Sage.
- Scott WR (2001) *Institutions and Organizations: Ideas, Interests and Identities*. 2nd ed. Thousand Oaks, CA: Sage.
- Sewell WH (1992) A theory of structure: Duality, agency, and transformation. *American Journal of Sociology* 98(1): 1–29.
- Tatoglu E, Glaister AJ and Demirbag M (2016) Talent management motives and practices in an emerging market: A comparison between MNEs and local firms. *Journal of World Business* 51(2): 278–293.
- Tempel A and Walgenbach P (2012) Subsidiary managers and the transfer of human resource practices in mutlinational companies: Institutional work at the intersection of multiple institutional frameworks. *Schmalenbach Business Review* 64(3): 230–247.

- Thompson P (2003) Disconnected capitalism: Or why employers can't keep their side of the bargain. *Work, Employment and Society* 17(2): 359–378.
- Thompson P (2011) The trouble with HRM. *Human Resource Management Journal* 21(4): 355–367.
- Thornton PH (2004) Markets from Culture: Institutional Logics and Organizational

 Decisions in Higher Education Publishing. Stanford, CA: Stanford University Press.
- Thornton PH and Ocasio W (1999) Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American Journal of Sociology* 105(3): 801–843.
- Thornton PH and Ocasio W (2008) Institutional Logics. In: Greenwood R, Oliver C, Suddaby R, et al. (eds) *The Sage Handbook of Organizational Institutionalism*. Los Angeles: Sage, pp. 99–129.
- Thornton PH, Ocasio W and Lounsbury M (2012) Introduction to the Institutional Logics

 Perspective. In: Thornton PH, Ocasio W, and Lounsbury M (eds) *The Institutional*Logics Perspective: A New Approach to Culture, Structure and Process. Oxford: Oxford

 University Press, pp. 1–19.
- Vidal M and Peck J (2012) Sociological institutionalism and the socially constructed economy. In: Barnes TJ, Peck J, and Sheppard E (eds) *The Wiley-Blackwell Companion to Economic Geography*. Chichester: Wiley-Blackwell, pp. 595–611.
- Whitley R (1999) *Divergent Capitalisms: The Social Structuring and Change of Business*Systems. Oxford: Oxford University Press.
- Zilber TB (2013) Institutional logics and institutional work: Should they be agreed?

 Institutional Logics in Action, Part A: Research in the Sociology of Organizations 39A.

 Emerald Group Publishing Limited: 77–96.
- Zucker LG (1983) Organizations as institutions. Research in the Sociology of Organizations

2(1): 1–47.

Table 1 Number of Interviews

	Medium-	Medium-	Semi-	Large	Large	Total
	Sized	Sized	Large	Private	Public	
	Islamic	Private	Private	Bank	Bank	
	Bank	Bank	Bank	(LPV)	(LPB)	
	(MIB)	(MPV)	(SLPV)			
HR/senior	3	3	1	2	2	11
Managers						
Young	12	10	9	11	12	54
Professionals						
Total						65

Table 2: Coding Scheme

Quotation	First-Order Themes	Second-Order	Third-Order Theme: Variation from
		Theme: Element of	Dominant 'HRM' Models
		Seth Culture	
People are [put in the pool] from different levels	Chronological seniority	Seniority	Seniority- rather than merit-based
and that's the worst part. You cannot rate a	more important than		performance management system
senior vice president with a 'C' grade and	performance.		
assistant. Vice president with an 'A' grade. You	Prevalence of time-based		Lack of distributive and procedural justice in
just can't do that.	growth and career		compensation
	development		
[HR should] make things more approachable or	Maintenance of status	Maintenance of	Skewed compensation rates
at least let people know such things [certain	and benefits within	status quo	Inadequate grievance mechanism
benefits] are there. But I believe that in my	current ranks.		Lack of career development
organization there is a lack of culture of	Lack of information		
information sharing.	sharing		

Quotation	First-Order Themes	Second-Order	Third-Order Theme: Variation from
		Theme: Element of	Dominant 'HRM' Models
		Seth Culture	
As ours is a government organization, there is	Favouritism	Favouritism	Nepotism in performance management and
still a huge impact of favouritism. There is a			career development
culture of adulation and flattery - not only in our	Arbitrary decision		
department but in the whole organization I	making		Unfair compensation
know that delivering desserts to my boss will			
promote me earlier but I don't do that. In my	Nepotism		Training opportunities unfairly assigned
office people do that			
If I come at 9:06 [a minute late] I am marked	Emphasis on form rather	Inefficient	Poor employee engagement and grievance
late but when I stay till 9 pm everyday there is	than substance of policies	bureaucracy	systems
no compensation or recognition for that.			
	Short term oriented		Unfairness in performance management
	procedures		systems

Quotation	First-Order Themes	Second-Order	Third-Order Theme: Variation from
		Theme: Element of	Dominant 'HRM' Models
		Seth Culture	
Even if the trainers were not coming, we had to	Patronizing attitudes of	Patriarchal attitude	Inefficient training
go to the learning centre to mark our attendance.	managers.		
I don't know what kind of mentality this is. It is			Poor employee engagement
such a waste of time. That is so petty. I think	Lack of empowerment of		
they need to stop treating senior management	young professionals		
like gods and us like children	Importance of hierarchy		