

Anne Goujon Belghit

## THE HUMAN RESOURCE MANAGEMENT IN A BELGIAN PUBLIC COMPANY

### Abstract

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Within the next few years, human resource management practiced in public companies will undergo some major changes. In this context we will address the following question: What are the human resource management practices in the bureaucratic-type public company in the years 2000 on the verge of opening national market to competition? The results, obtained thanks to the Alceste software, through semi directive interviews with SNCB representatives, have shown the originality and the complexity of the type of management applied in this structure.

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*Key Words: public enterprise, human resource management, internal promotions, objective model, individualizing model, conventionalist model*

**Anne Goujon Belghit**

*PhD Student at the University of Lyon 3 Magellan Research Center*

**Correspondence: Anne Goujon Belghit**

9 Rue du Docteur Bonain, Brest 29200, France

E-mail: [anne.goujon@laposte.net](mailto:anne.goujon@laposte.net)

Tel: 0033 2 56 29 08 89

## **INTRODUCTION**

Within the next few years, human resource management practiced in public companies will undergo some major changes. In fact, new European regulations will encourage them to open their national market, where they are in a position of monopoly, to the competitors and, as a consequence, to reconsider their internal organization. We form this study on the eve of these major transformations, wishing to make an “inspection of everything” and to better understand the management practices in these enterprises with protection status.

The public companies, where the reason of existence is to respond to the needs of general interest by the taking over of a series of services for example, sending representatives, are always of bureaucratic type. They are old, big and are subject to strong regulation to counteract bias and inequality. They are controlled by trade union bodies. Being issued of post-conflict reconstruction, they should impose themselves on the more unstable environment, and should reconsider their management practices. Often criticized for their malfunctioning, they administer their salaries quantitatively, in a global way, not giving any privileges and not recognizing any individual expertise. Their employees, called civil servant or statutory, are considered to be well-off, despite the fact that they do not benefit the salaries as attractive as the ones in the private sector; they are, however, protected from unemployment. Nevertheless, these public companies cannot allow themselves to promote an inefficient employee thus risking to stop functioning. In this context, what are the human resource management practices in the bureaucratic-type public company in the year 2000 on the verge of opening national market to competition?

Our study bases itself on the works of François Pichault and Jean Nizet and suggests completing them. In the very beginning, we will identify characteristics of managing public companies in Europe and in the second part, we will present our research methodology as well as the results.

## **MANAGEMENT CHARACTERISTICS IN PUBLIC COMPANIES**

After having described the picture of public companies in Europe, we present the human resource management and later describe the Objective Model, citing the works of François Pichault and Jean Nizet.

### **Presentation of public enterprises in Europe**

The mission of European public companies relies on managing requirements that meet the needs of general interest. They take responsibility, on the one hand, for the services

that are required by the population such as transporting passengers, electricity or telecommunications, and on the other hand, a number of social services, such as retirement or health<sup>1</sup>.

These nationalized companies generally find themselves in a position of monopoly, whose “existence is stemming from scale economy so important that a single company can provide a market set still remaining more competitive than the other competitor”<sup>2</sup>. Two forms of natural monopolies are distinguished. The first one bases itself on the difference between fixed costs and variable costs which are typical of heavy infrastructures such as water, electricity or railways. The second form is a monopoly created by the impact of network, namely by the number of users utilizing this service, for example, telecommunications<sup>2</sup>.

The definition retained to characterize the notion of public sector, proposed by Christian Batal (1997), brings together administrations, local and territorial communities, state-owned enterprises, hospitable civil service, public service companies as well as the private establishments responsible for the public service mission.

The industrial era marks the birth of bureaucratic public companies in which the individuals are regarded as a labor force that involves a clear separation between their professional life and their private life. The importance of the weight of the hierarchy models the relations between the employees, the cadres are not close to the employees (Emery and Giauque 2005). Bureaucracy, a system that includes rationalization of the social activities, controls relations between the individuals according to a rational domination, where the individual obeys because his or her superior legally has the right to give him or her directives. The relations of authority correspond to the voted laws as well as formal legal procedures (Weber 1995, Busino 1993). Bureaucracy is characterized by the following:

- “Division of work
- Expertise, i.e. legally recognized aptitude to act under given conditions
- Administrative hierarchy: installation of control and surveillance authority for all the accounted authority
- Existence of technical rules and standards laying down the methods of action and judgment in certain matters and certain conditions

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<sup>1</sup> [http://www.local.attac.org/78/IMG/pdf/Synthese\\_SP.pdf](http://www.local.attac.org/78/IMG/pdf/Synthese_SP.pdf)

<sup>2</sup> [http://fr.wikipedia.org/wiki/Monopole#Monopole\\_naturel](http://fr.wikipedia.org/wiki/Monopole#Monopole_naturel)

- Radical separation between the administrative direction and the instruments of administration. The civil servant is not in possession of the means that he uses.
- The non-appropriation of position by its holder. The position does not belong to the civil servant, in spite of his or her right to have the job security and independence in the exercising of his or her functions.
- The conformity of the form and the substance of the decisions, actions and activities with the provisions and the payments of all kinds; their development within a determined framework, called office” (Busino 1993).

In theory, these organizations are effective and respectful of the freedom of the individuals and the relations with the authorities are rigorously regulated preventing any form of “dictatorship.” However, these organizations also have numerous drawbacks such as slowness in procedures, often excessive formalism, and lack of transparency (Crozier 1963, Crozier and Friedberg 1977, Downs 1966, Emery and Giaouque 2005).

The latter, under the impetus of the European Commission in the beginning of the nineties, were subjected to major transformations in response to the obligation to open national market to competition (De Coninck and Jeannot 2004). In fact, successful functioning of a public service company is not necessarily subjected to the condition of monopoly even if in absolute terms it allows to implement economy of scales and foster optimization of network usage, “the value of a network is measured through the number of people who joined it” (Khalifa 2001). Contingency of privatization of these public companies remains sensitive to address even if the indicators of these evolutions dates back to the eighties with the introduction of new management practices such as reorganization of services, introduction of marketing techniques and change in terminology such as substitution of the word “consumer” with the word “client” (De Coninck and Jeannot 2004).

Civil servants, employees of the State, belong to “a hierarchical category, a body or an employment framework” and are subject to a particular regulation related to the conditions of recruiting, factors of promotion as well as the determinants of remuneration (Salon and Savignac 1997). The choice to make career in the public office rather than in the private sector is not at all harmless since it is guided by a comparison between the two forms of employment connected with the wages, including the welfare benefits, as well as the pension plan or with the nature of the contract which guarantees a certain safety for the civil servants (Salon and Savignac 1997). The latter suffer from bad image with the general public. They are regarded as “minimalist and ineffective

collaborators,” little involved with their job, confining themselves to uninteresting administrative tasks (Emery and Giauque 2005).

Being pure generators of employment and resources for their country, public companies should adapt their management to the unstable environment. Now we will point out the evolution of human resource management for you to gain better understanding of the methods that are used nowadays.

### **Human resource management and the objective model adapted to public companies**

Human resource management is a “function of the company which aims at obtaining an effective and maintained adequacy in time between its employees and employers, in term of manpower, qualifications and motivation. Its goal is to continue optimizing expertise for the service of the company.” (Le Gall 2005).

Mintzberg (2003) suggests an examination of organizations, by defining on the one hand the processes that would allow the formal authority to direct and guide the company and on the other hand, to describe the various forms of organizations. He points out the complexity of management by stressing that the discussion is about the fragmented activity, dependent on interpersonal relations and therefore not formalized. He states five forms of organizations distinguished according to coordination (Mintzberg 2003, Livian 2000). One of them is called *Mechanistic bureaucracy*: characterized by the standardization of the work processes and a strong formalization of communication patterns and procedures, it is typical of the large-scale organizations. The work there is routine, and all the decisions are centralized. The workers do not meet their bosses. This type of structure can be found in administrations.

Nevertheless, the management of human resources applied in the public companies does not match all of these criteria because they are often criticized for bad adequacy between the expertise necessary to keep the position and the expertise offered to the employee responsible for it. They are warned for their lack of anticipation. François Pichault and Jean Nizet (2000), updating the work of Mintzberg, show coherence between the organizational configurations and the practices of human resource management.

They distinguish five different management patterns such as the Arbitrary model, Objective model, Individualizing model, Conventionalist model as well as the Valoriel model. Our study finds interest in the Objective model, described in a synthetic way in the following table (Figure 1).

**Figure 1. Table by François Pichault and Jean Nizet on the Human Resource Management Practices describing the Management Patterns in a Few Words (Nizet and Pichault 2000)**

**Objective Model**

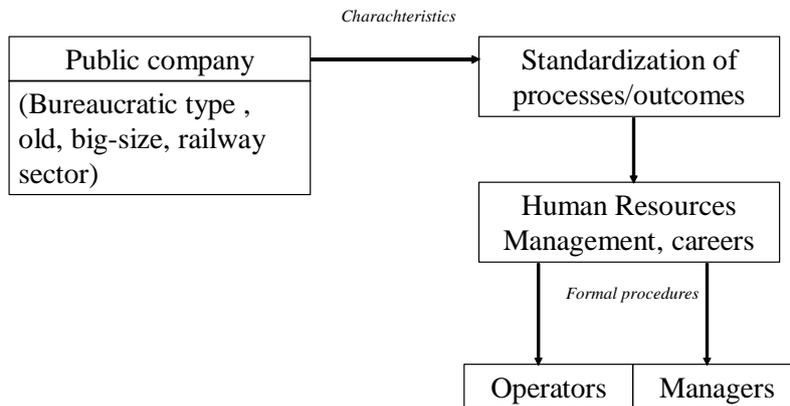
- Quantitative planning of manpower, giving priority to recruitment
- Dismissals as the subject of collective agreements
- Company culture based on legalism
- Education centered on the knowledge and know-how
- Evaluation based on the function description, with application of standardized criteria
- Promotion based on age or by competition
- Salary on time, defined a priori
- Clear separation between the work time and the free time
- Formal and centralized communication
- Information and consultation means
- Professional relations based on delegation/representation

The Objective model suggests “systematization of human resource management,” where the employees are directed by the uniform and impersonal rules, and are protected by trade unions. The *culture of the company* is based on the respect for the rules and the hierarchical line. The employee is squeezed in a formal structure which does not envisage specific procedures of integration but which on the other hand provides him with a certain number of guarantees like the job security, protection of his status and the insurance of a linear career. *Training* allows the acquisition “of expertise”. This type of management denies any mode of discrimination and recommends standardization of procedures, where the employees are evaluated according to standardized criteria. The *evaluation* rewards honesty with the company and respect for the rules, respects independent thinking on the hierarchical level which applies to particular functions subjected to meticulous descriptions. *Promotion*, being independent of personal results, is subject to a number of specific rules: the employee should meet certain conditions such as length of service, success in the internal competition or possession of scholar diplomas. The *salary*, negotiated by collective bargaining, should be known by every employee. The *time of work*, distinctly separated from the personal time, is subject to strict regulation counting additional hours but at the same time allowing certain flexibility of schedule according to the position occupied. The politics of formal *communication*, mobilizes the tools such as memos, billboards or a company magazine. The *participation* of employees is limited and *professional relations* are institutionalized (Nizet and Pichault 2000).

The objective model seems to be also applied in public companies with facing an unstable environment, with prospects, expecting other competitors to enter the national market, for development. Among the five management models proposed by François Pichault and Jean Nizet, we exclude the Arbitrary model, too simple to adapt to a structure which is heavy and formal; together with the Valoriel model, too complex to be applied in a bureaucracy, where interpersonal relations are classified.

The Individualizing model implies a personalization of the relationship between the company and its employee, where an individual negotiates conditions of hiring with his or her employer in terms of his assets. The management speaks about the notion of expertise, principally dismissing the operational know-how. The *culture* of the individualizing company revolves around a project of management intended to bring the employees together. *Integration* is an important process for the life of the company to support the social bonds between the colleagues; the formation of a common identity through celebratory events or common activities supports interpersonal relations. *Training*, easily accessible, is proposed individually according to the potential of the employee, of its aptitudes and its plan of career. *Evaluation* of employees is carried out by professional interviews, divided into three different stages: assessment of the expertise carried out based on the results of the previous year, the evaluation of the expertise necessary to achieve the goals set for the years to come, and wishes in education or promotion. *Promotion* is granted according to the mobility of the employees, either horizontal or vertical, and is related to the results. *Remuneration* has to be inciting, based on a system with variable in terms of efficiency and accompanied by non-financial advantages like the loan of a company's car. The *work time* depends on the negotiations between the employee and its company. A number of formulas are proposed such as part-time work, flexible hours, position sharing, granting certain days off. Circulation of information is strongly encouraged in a vertical and horizontal manner, or by means of exchange with the exterior. *Communication* can go through a number of various channels such as the company's magazine publication or the intranet with the aim of bringing the colleagues closer to each other and facilitate accomplishment of objectives in the given time frame. *Participation* of employees in the company's life needs to be intense; it is required to be up and running to make use of the participative management, which encourages individuals to take part in the process. They distinguish a co-decision system which encourages and facilitates *professional relations* (Nizet and Pichault 2000).

**Figure 2. Pattern of Human Resource Management in a Bureaucratic-Type Public Company, the Scheme Extracted from Alain Roger’s Book entitled “Career Management in Various Types of Companies” (Roger in Peretti 2001)**



The Conventionalist model relies on a divisional structure that separates units according to products on the target markets, independent from the head office in order to optimize the decision-making process. According to this layout, individuals are independent and organize themselves to define human resource management methods which were modifiable before. Company *culture* responds to disciplinary or statutory divisions and establishes itself in an implicit way, by self-regulation from the colleagues. *Integration* is not formalized; the newcomer should find his or her place among colleagues. *Training* is an important factor in integration and is administered in an individual way, the employees take over their training. They take part in various educational seminars depending on their own estimations of needs as well as on their availability. *Evaluation* and *promotion* are two interdependent systems; they are subject to approval from colleagues. The *working time* is not institutionalized and depends entirely on employee’s estimates: the employee should be available for the seminars, foreign trips and available for taking work home; the management of his agenda is conducted independently. *Communication* is encouraged; preference is given to the decision-making process done collectively. Company’s direction should be decided on the basis of the internal discussion between the colleagues at work. The colleagues base their decisions in a self-censorship model based on professional ethics (Nizet and Pichault 2000).

In a public company, we are seeking to find a formal regulation of human resources that meet strict conditions as described by Alain Roger (Roger in Peretti 2001). We are talking of the company that is focused on procedures as shown in Figure 2, the human resource management relies on formal procedures. Our study will show that other management patterns coexist within these structures so-called “mechanistic bureaucracy.”

## **PRESENTATION OF HUMAN RESOURCE MANAGEMENT IN A BELGIAN PUBLIC COMPANY**

After having described the application of human resource management in various types of organizations especially in public companies of bureaucratic type, we are now going to present the results of our work. In the very beginning, we will clearly identify the context of our case study, the Belgian Railways (Société Nationale des Chemins de fer Belges, SNCB). Then we will describe the research methodology and finished with the results.

### **Theoretical context**

We opt for the “constructivist” model of research because we stick to the postulate that researcher does not work directly with the “reality” which existed before the study took place but rather with a “depiction of actors within a company which is constructed out of their proper perceptions” (Savalli and Zardet 2004). In quantum mechanics, the fact of observing a particle changes the state of this particle. Same way is in management science: the study of reality modifies it. Epistemological principles of this paradigm are as follows:

- “Representability: knowledge does not reflect ontological objective ; it is related to our picture of the world constructed by our experiences,
- Constructed universe: science does not seek to discover the laws of nature,
- General argumentation: contemporary scientist is a designer-observer-creator,
- Intelligent action: invention or elaboration of an action that would propose an “adequate” or “convenient” process between the situation being perceived and a plan conceived by the system” (Savalli and Zardet 2004).

The management science defines itself by a knowledge project that aim at reconstructing descriptions “understandable of actor’s representations within the organizations” (Martinet 1990).

Our reasoning is abductive; we want to extract from our observations a reconstruction of the reality to elaborate new answers which will be advisable afterward to

test and to discuss. The objective of this logic is not to establish results within universal vocation but to establish an understanding of a given reality. The proposed results will be demonstrative because the researcher does not want to establish constancy; he just attempts to explain a phenomenon (Thiéart 2003).

### **Data gathering**

We proceed with our case study, conducted in the Belgian railroad company. This inquiry favors a reconstruction of the reality of the employees in this company related to their conditions of internal promotions, not in a more precise way than the situation described by the actors, but establishing categories authorizing a more global understanding taking root in a more theoretical perspective (Savalli and Zardet 2004).

We gathered our data with the help of semi-guided interviews that had been conducted with about thirty employees of the Belgian Railways (SNCB): 14 employees between ranks 4 to 9 (Appendix 1), 15 of them as low down as ranks 0 to 3 (Appendix 1) and then an interview with a person responsible for managing human resources.

This technique allows to adapt a comprehensive approach, the principle of which is to view individuals as “active social producers and possessors of important knowledge, whom it is necessary to extract from the inside” (Kaufmann 1996). Interview is defined as “technique designed to gather, within analysis perspective, the discursive data that reflects mental universe which individuals possess, either consciously or subconsciously” (Thiéart 2003). The idea is to create relationship of trust during the interview, based on the equality, in a manner which allows gathering relevant information without the feeling of constraint to respond to questions on the part of the interviewee (Labov and Fanshel 1977, Blanchet and Gotman 2001). The interview is a meeting of two interlocutors who are subjected to the uncontrollable contingencies and are well aware of its discursive nature, while reconstruction of reality happens gradually over time with a series of interviews. This data gathering technique offers two following principal objectives:

- Discover the actors perception of their everyday life,
- Collect description that would make up management practice (Blanchet and Gotman 2001).

In the beginning, that is before the meeting with SNCB employees, we produced a grid of flexible questions facilitating the good flow of the interview not forgetting to talk about the central topic which is a focus of this study. Drafting this interview grid is made only to provide some guidance, reassuring, triggering dynamics during an interview and on

the other hand, the questions should not be posed one after another, only principal issues should be addressed. There are three of them (Kaufmann 1996):

- Professional career by insisting on the processes of internal promotions,
- Weight of the interpersonal relations in the career,
- Importance of the academic course in career.

### **Presentation of research methodology**

The results obtained thanks to the interviews should be analyzed according to their content. These techniques were developed in the United States in the twenties to study media articles and political speeches. We wish to make out the centers of interest as well as the concerns of our respondents by identifying recurring elements in their discourse. Two types of analysis are possible: a qualitative one relying on thematic analysis, and a quantitative one, resorting to statistical and mathematical tools such as comparisons in the frequency of factorial analysis of correspondences. Quantitative approach, in the form of lexical analysis, identifies the speech of the respondents according to the “nature and richness of their vocabulary... and attempts to analyze the frequency of appearance of some words. It is the word which constitutes the unit of analysis” (Thiéart 2003).

Our content analysis was made with Alceste software which allowed us to access main information by a technique of counting the number of units of analysis as well as their frequency in the interviews. Various units of analysis are associated with a topic. We proceeded doing this in three stages:

- *Data collection* by organizing semi-direct interviews with SNCB representatives,
- *Data coding*, at the time of establishing the body of knowledge, namely the text processed by the software, and a special line was added to identify each respondent.
- *Data analysis*, the results provided by the software are coded and should be given direction.

Alceste is a content analysis software, provided by the French software company CNRS in collaboration with ANVAR, developed and commercialized by IMAGE Company. The method used known as Downward Hierarchical Classification, is based on division of the processed text in succession. According to the frequency and nature of the words indexed in the body, categories are formed. Factorial analysis of correspondences

allows synthesizing the obtained results; it facilitates data read with the help of “graph”, a kind of photography showing the color scheme of words and categories.

The constitution of the body is a key stage of the content analysis by Alceste software. This stage requires much time and precision in coding the interviews. This coding was carried out in accordance with the conditions of the software use; all the interviews are gathered in the same body. Each respondent is identified by the introduction at the beginning of interview of a specific line stating his or her age, function or position in the company.

The summary table of the respondents presented in Appendix 1 shows that the non manager staff are put into rank 4, it is the last row before the manager’s level. The managers, shown in rank 3, are the first level for the category of cadre. First analysis indicates that the personnel located in ranks 9 to 4 profit from promotions by contest whereas managers, ranks 3 to 0, have to pass the exam of the “very good” to consider a career.

Now that these first elements are identified, we present the results of the Alceste software analysis, shown on Figure 3 revealing six different classes. Display of these results shows six different categories. Nevertheless, for the reason of clarity, we have chosen to regroup them into four distinct categories. We note that categories 1 and 5 are strongly interdependent just like categories 2 and 3. We thus have the following categories:

- Category 1 (bringing together classes 1 and 5): Social Networks
- Category 2 (bringing together classes 2 and 3): Formal Procedures
- Category 3 (class 4): Human Resource Management
- Category 4 (class 6): Cadres Procedures

When conducting semi-direct interviews and defining the state of problem, the researcher is questioning individual positioning with regards to the organizational variable. In Alceste’s graphs, we can observe an organizational variable related to individual positioning. We obtain a factorial analysis of correspondences with the following axes:

- The horizontal axe, the abscissa, refers to work management. We are at organizational level.
- The vertical axe, the ordinate, represents career management. We are at individual level.

**Figure 3. Alceste Results: Distribution into Different Categories**

Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Job (70)	Courses (74)	Exam (203)	Principal (101)	Manage (30)	System (73)
Office (23)	Driver (60)	Oral (83)	Engineer (96)	Situation (19)	Promotion (62)
Place (21)	Trains (50)	Written (38)	Division (33)	Responsible	Enterprise (52)
Colleague (16)	Formation (44)	Jury (34)	Adjuncts (52)	(12)	Evaluation (35)
Busy (15)	Fellow (38)	Questions (36)	Seniority (45)	Conflictual (11)	Political (35)
Contact (14)	School (23)	Succeed (33)	Industrial (39)	Together (10)	Agent (33)
Working (13)	Fitted (20)	Interviews (31)	Salary (37)	Informal (5)	Skills (31)
Know (10)	Statutory (17)	Text (28)	Grade (34)	Conflict (7)	Bonus (24)
Communication(8)	Manoeuvre (12)	Convocation (17)	Civilians (26)	Break (6)	Evaluation (23)
Call (6)	Temporary (10)	Summary (17)	Field (20)	Weight (6)	Important (22)
		Formular (15)	Range (19)	Respect (5)	Committee (20)
			Scale (12)	Meet (3)	Individual (12)
			Rising (8)	Discuss (3)	Justify (7)
<b>SOCIAL NETWORKS</b>	<b>FORMAL PROCEDURES</b>	<b>FORMAL PROCEDURES</b>	<b>HRM</b>	<b>SOCIAL NETWORKS</b>	<b>MANAGER PROCEDURES</b>

Regarding this analysis, an opposition appears between social networks and « cadre » procedures concepts on the vertical axe, and between formal procedures and human resource management concepts on the horizontal axe.

### Presentation of the case study

Our analysis is based on a case study which is focused on SNCB, National Society of the Belgium Roads. We studied the human resource management processes based on a public company of the bureaucratic type. We will further describe the research data in detail and we will proceed with the presentation of the results.

Created in 1926, SNCB is a self-governing company under Belgian law. In 1938, the company decided to use the “B” logo. In 1958, the nationalization movement ended and the SNCB held the whole Belgian rail network. It dealt with a rail network of 4800 km, 1368 train stations and stops, and lots of locomotives and cars.

When the Second World War finished, the SNCB had to face a dramatic situation; half of its rail networks was destroyed, obliging the company to launch a reconstruction campaign. In the 50’s and 60’s, the SNCB modernized its infrastructure radically in order to cope with the arrival of new competitors: cars and airplanes.

In the 1970’s, the modernization process had to slow down because of the oil crisis and of the unfavorable economic situation.

After 2000, the SNCB chose restructuring in order to cope with European regulations. The distinction between infrastructure and operator became essential, under the “move” scheme the company was to be divided into three different structures by 2005. The government committed itself to buy part of the company’s debt.

The SNCB reached a total turnover of 2.33 billion euros in 2003 with a rail network of 3,521 km, its main goal being passenger transport, network maintenance and transport of goods and commodities.

The chronological timeline presented in Appendix 2 covers the main events of the history of the SNCB. Our study takes place before the new restructuration planned for January 2005. Our interviews being conducted in 2004, we have tried to understand SNCB agents’ career opportunities just before this organizational change.

The flowchart presented in Appendix 3 reflects the organization of the company in which we conducted our investigations. The SNCB is still made up of one unique structure, depending on an administration council, a director committee and a delegate administrator. The company is subdivided into departments according to activity, such as: goods, passengers, material, trains, network, infrastructure or property. The human resource management is in charge of all these activities. Two types of employees are working at SNCB: permanent (statutory) and contractual staff. Different regulations are applied to each type of staff. The permanent employees are in the majority and they belong to “the Staff Position” of the company. The contractual workers fall under the Belgian law governing the contracts of employment from March 7, 1978.

SNCB is a company with staff composed of Flemish and Walloon populations of Belgium. Employees in this company are divided according to their ranks. Their ranks correspond to positions within the company’s hierarchy. Rank distribution is organized in the following way:

- Qualified employees with higher education diploma (experts, managers) fall under the ranks between 0 and 3.
- Other employees (workers, lower management personnel) fall under the ranks between 4 and 9 according to their diploma.

Employees are classified according to their rank, their academic diploma and their position as shown in Figure 4. Two big categories can be singled out: these are lower management employees who fall between the ranks 9 to 4, and managers or high-ranking officials belonging to the ranks 3 to 0.

**Figure 4. Summary Table of Hierarchy in the Salaries of SNCB by Rank (2004)**

Rank 1, 2 and highest	Highest state employees
Rank 3	University education or more of long type
Rank 4	Higher education of short type
Rank 5	Secondary higher education
Rank 6	Lower secondary education with promotion
Rank 7	Lower secondary education
Rank 8	In-house training
Rank 9	No diploma or certificate

## PRESENTATION OF RESEARCH RESULTS

### Presentation of research results obtained by means of the software

The concepts mentioned by the interviewees correspond to specific management issues that we will describe underneath. The concept of *Social Networks* sends us back to Social Capital, which is defined as “all social qualities that an individual has - charisma, human contacts..., all that enriches him or her in his relations with the others” (Glaeser 2001). The social capital is measured according to the number of “contacts” that a person has; other person with whom the person under investigation would be in direct relation is labeled as “contact” (Coleman 1988). The social network means a whole set of relations between the two individuals and each moment, there is a network to which the individuals are more or less connected according to their priority level, exchange and emotions which go with that (Burt 2001).

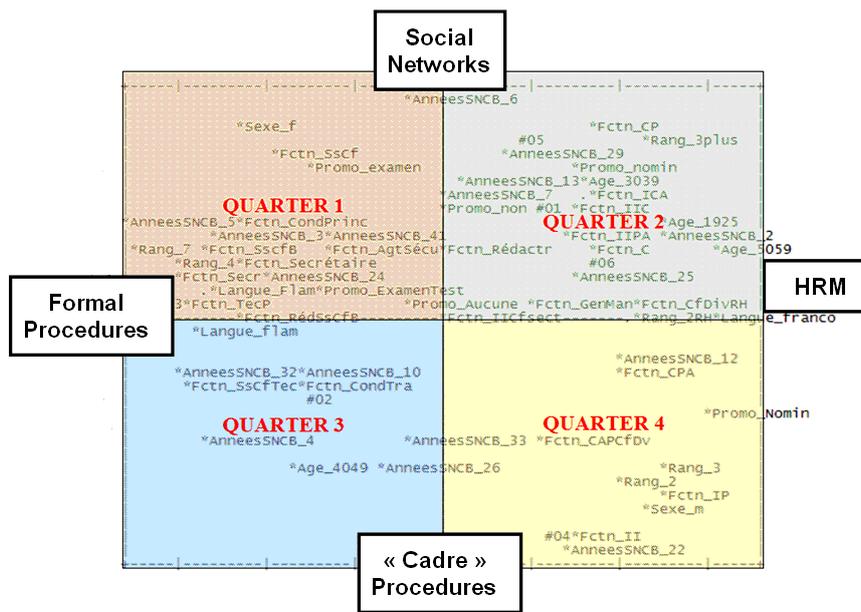
The *Formal Procedures* category relates to the procedures which control operation of the bureaucratic type public companies by the mediation of easily identifiable management tools such as organization of contest. Here the discussion is about the formal framework relating to internal promotions.

The third category, relating to the *human resource management*, treats the applied methods by the company to maintain a qualitative and quantitative capability of employees by a “dynamic approach, technological survey, follow-up of the employability of each employee, preventive management, permanent effort to qualify, and re-qualify the staff, numerous recruits within the framework of a diagram of employment and expertise” (Peretti 2001).

The fourth category entitled *Cadres Procedures* related to the literature concerning this particular category of employees. The category of cadres, according to Livian, unites “the employees leading or responsible for units, and employees ensuring the technical or

managerial expertise functions within the company. A group of management staff, not calculated” (Livian 2004). The economic crisis of the eighties is reflected in this category, until now protected by its status relying on loyalty and confidence in the nineties. This category of employees, definitely marked by this period, observes changes in these conditions of employment. Cadre procedures are related to ability by employees to equip themselves with new resources such as independence during work, be able to maintain their employability by their own means, elaborate professional projects, be available for the company, be mobile and not to count their time of work (Bouffartigue 2004). The Factorial Analysis of Correspondences, shown in Figure 5, allows us to visualize the following material.

Figure 5. Factorial Analysis of Correspondences



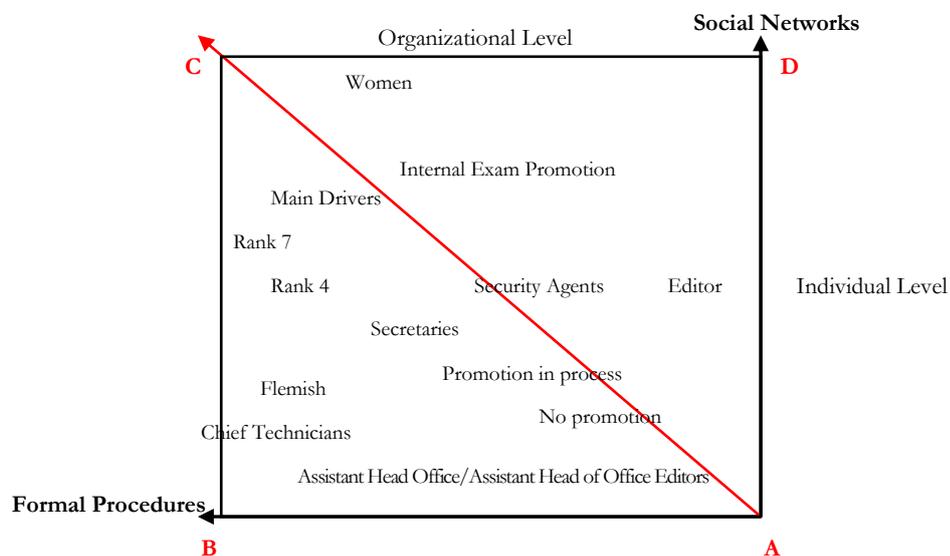
Abscissa Axe: Organizational Level  
Ordinate Axe: Individual Level

### Results analysis

In order to make the reading of the factorial analysis of correspondences easier, we present our analysis according to Quarters. *Quarter 1*, concerning social networks and

formal procedures, includes the following people: main drivers, assistant head of office, assistant head of office editors, security agents, secretaries, chief technicians, editors. They are all lower management personnel. This quarter also includes women as well as the Flemish. Figure 6 allows to better understand the factorial analysis for the study of quarter 1.

**Figure 6. Factorial Analysis of Correspondences: Quarter 1**



This quarter reveals three different kind of internal promotion. The first one deals with the promotion based on internal exams, located in the ACD triangle. It is closer to social networks than to formal procedures, and it does not concern the “cadre” procedures. The testimonies highlight the following:

- At organizational level, internal exams often take place within the company. The exams imply two phases: a written test and an interview. In order to get ready for the exams, the agents can refer to a specific internal book called “syllabus”, and follow different trainings offered by the company outside working hours.
- At individual level, examination dates can be consulted in an internal book or on the Intranet. The register forms have to be signed by the hierarchical bosses.

Internal exams require important personal involvement in terms of learning and time.

We observe that the employees in the course of a promotion process are closer to formal procedures than to social networks. The last kind of internal promotion concerns employees that have never reverted to internal promotion, they are located next to the formal procedures. The woman population seems to be more interested in social networks than formal procedures.

The Flemish population, located in the ABC triangle, is closer to formal procedures than to social networks. The testimony study reveals:

- At organizational level, the Flemish clearly identify their environment. They know the procedures to conduct a career. The Flemish link their missions and responsibilities to their work situation.
- At individual level, they tend to prefer team work and adopt a proactive attitude regarding their career, they are not waiting for the company to follow them.

Main drivers as well as security agents are located on the AC diagonal, half way between formal procedures and social networks. Assistant heads of office can be put together with assistant head of office editors. These employees are situated next to the formal procedures axe. Within the ABC triangle, secretaries and chief technicians appear, closer, then, to formal procedures than to social networks. Editors are present in the ACD triangle, closer to social networks than to formal procedures.

Rank 4 employees are actually the majority of the interviewees, they are located within the ABC triangle. They are closer to formal procedures than to social networks. The issues raised through the study of the interviews are the following:

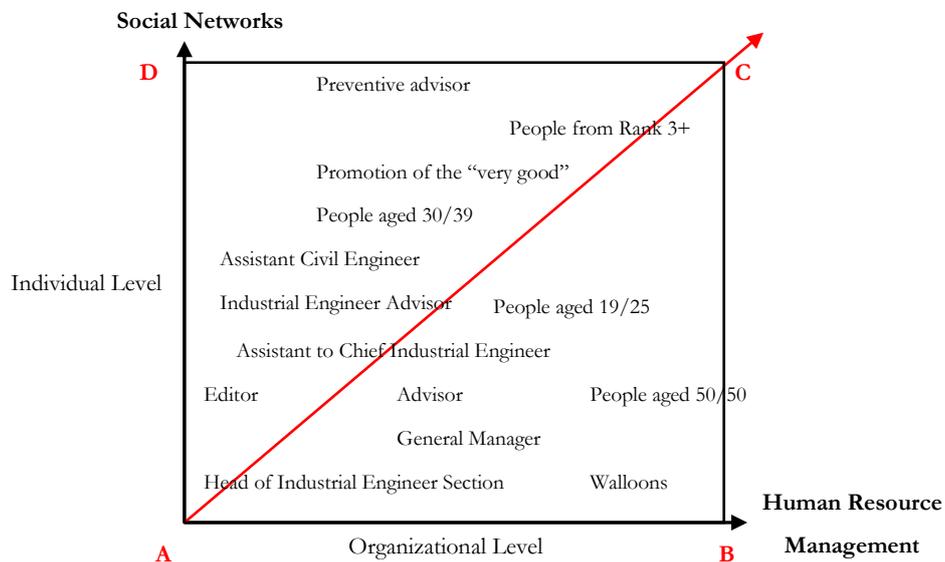
- At organizational level, ranks 4 lack visibility regarding their professional career. Even if they pass the exams, they do not know which service they will be sent to. Promotions imply professional and geographical mobility. Ranks 4 willing to be promoted have to get personally involved. They have to take time after work to study for the exams. The employees decide on their own whether to register or not for an exam. They link their function to their work situation.
- At individual level, they depend on their hierarchical boss, who is in charge of stating objectives, identifying the competences of their colleagues and assuming checkout of activities. These people often belong to trade unions.

Rank 7 employees are located in the ABC triangle. They are closer to formal procedures than to social networks. We learn the following:

- At organizational level, people belonging to ranks 7 find the internal promotion process difficult. They have to get personally involved and have to follow training sessions outside their working time. Their wages evolve according to how long they have been in the company.
- At individual level, they depend on different chiefs. They have to follow security meetings. They are autonomous in their work.

*Quarter 2* concerning social networks and human resource management, includes the following people: assistant civil engineer, advisor to industrial engineer, assistant to chief industrial engineer, advisor, head of industrial engineer section, general manager, preventive advisor. They are managers. This quarter also includes people aged 19 to 25, people aged 30 to 39, people aged 50 to 59 as well as Walloons. Figure 7 allows a better visibility of the factorial analysis to study the second quarter.

**Figure 7. Factorial Analysis of Correspondences: Quarter 2**



The promotion observed in this quarter deals with the “exam of the very good” promotion. The latter is located within the ACD triangle, then closer to social networks than to human resource management. We learn the following:

- At organizational level, the hierarchical boss proposes his colleague for the “exam of the very good”, the agent can also ask him to do so. The “exam of the very good” is a 30 to 60 minute interview in front of the directory committee.
- At individual level, the candidate must have a length of service in the company of about 8 years before being allowed to take this exam. Therefore, performance is not the first criterion. This interview leads the employee to a specific career: either management career or expertise career. This exam is available two times a year.

Walloons are located in the ABC triangle closer to human resource management than to social networks. They are at the opposite end from the axe from the Flemish who are close to formal procedures.

We then put together assistant civil engineers, industrial engineer advisors, and heads of industrial engineer section. Located within the ACD triangle, they are closer to social networks than to human resource management procedures. In the same triangle, we also find assistant civil engineers, advisors, as well as the population aged 30 to 39. The general manager, as well as the population aged 19 to 25 and the employees aged 50 to 59 are located in the ABC triangle. They are closer to human resource management than to social networks.

The population falling under ranks 3+ is located in the ACD triangle, closer to social networks than to human resource management. The interviewee states:

- At organizational level, he has to be interviewed by the directory committee, a key step in his future career.
- At individual level, the direct hierarchical boss has an essential place in the internal promotion process.

*Quarter 3* concerning formal procedures and “cadre” procedures, includes the following people: assistant technical masters, the Flemish and people aged 40 to 49. We are now talking of lower management. No kind of promotion is revealed in this quarter.

*Quarter 4* concerning “cadre” procedures and human resource management, includes the following people: heads of chief assistant advisor section and industrial engineers. This quarter includes people from ranks 3 and 2 as well as the male population. This

quarter consists only on managers. We also observe the population of ranks 3 located half way between the « cadres » procedures and human resource management. The population from ranks 2 is also located half way between the “cadres” procedures and human resource management. The male population is located half way between the « cadres » procedures and human resource management. One can also notice that this population is located at the other end from the female population. Indeed, women tend to mobilize social networks and formal procedures.

### **Analysis report**

We are observing a clash between the lower management population, represented on the left in the factor analysis of correspondence, subject to formal procedures. On the right side of the graphic, the cadres subject to human resource management. This distinction is also distinguished in the internal promotion patterns such as exams, organized in the form of contest and administered by formal procedures and applied to lower management whereas on the other hand, we see promotions by nomination, cadre procedures applied to managers.

There is also a distinction between the Flemish population, concerned with formal procedures and the Walloon population depending on the human resource management. Men and women are also distinctly differentiated, the first ones constructing social connections and are procedural while the former are a little concerned with everything that is connected to the human resource management appreciating independence. They refer themselves to as the cadres.

As far as internal promotions are concerned, two different procedures are identified by the interviewees:

- The promotion called internal exam can be found in the first quarter of the factorial analysis of correspondences, linked to formal procedures and social networks.
- The promotion called exam of the very good concerns rank 3 employees.

Finally, this company reveals a hybrid human resource management model. It does not refer to a single model but it tends to be located at the boarder of many. In order to cope with European regulations, this bureaucratic company has to evolve by changing its internal functioning.

Management applied in a bureaucratic-type public railroad company corresponds to the objective model but also in parts to the individualizing and conventionalist models. Two different types of people work in the same entity but are not subjected to the same regulations. The lower management, directed by the formal procedures, is promoted through the contest in terms of their age and separates their professional life from their private life. On the contrary, the managers are evaluated on the basis of their competence, on their virtue acknowledged by their colleagues or their bosses in the hierarchy. The career of an individual is decided at the time of the “very good” exam, based on the decision of jury consisting of the members of the board of directors. This process happens once in six months, the interview is free and unstructured. This is owing to an apparent formalization; procedures to be observed and required length of service. Interpersonal relations are at the heart of this internal promotion system. Expertise is appreciated; it is associated with their behavior, their abilities to distinguish themselves from the others, with the ability to conduct a conversation.

**Figure 8. Hybrid Human Resource Management Model in Public Companies. Table Based on the Pure Models of Human Resource Management elaborated by Pichault and Nizet (Nizet and Pichault 2000)**

Objective Model	Individualizing Model	Conventionalist Model
Quantitative workforce planning Layoff is done with everyone's agreement legalism Promotion by length of service or by contest Clear separation between the work time and the free time Formal centralized communication	Evaluation based on appraisal of expertise Promotion by merit Professional relations based on direct expression	Evaluation based on acknowledgement, on the basis of criteria elaborated by colleagues Promotion by election from the colleagues (limited term in office)

Hybrid Human Resource Management Model

The first results raised by the qualitative analysis reveal a hybrid human resource management configuration within bureaucratic companies. The *objective model*, defining

bureaucratic type public companies, appears when the interviewees explain that their career depends on quotas or on criteria such as length of service. The wage is calculated according to grids and not to results. The *individualizing model* is more likely to be present at manager level when managers are assessed in interviews or according to their performances within an incentive bonus related system. The *conventionalist model* refers to evaluation based on recognition through election by one's colleagues. Some interviewees are free to choose their working hours. Civil engineers are evaluated, selected and promoted by civil engineers. Finally, we find a new configuration of the human resource management in bureaucratic type public companies revealed in Figure 8. Their structure should evolve in order to cope with the new European regulations.

The Objective model may not suffice to fully understand the human resource management in this company given the complex structure of the enterprise, two different types of population, and two processes of internal promotion.

## CONCLUSION

Bureaucratic public companies, that include two types of employees, the lower management personnel and managers, adapt their own form of human resource management according to their needs. On the operational level, they operate quantitative management system to promote applicability of needs-resources; promotions are taking place through formalized internal contests digressing individualization and recognition of expertise. On a hierarchy level, one detects presence of a process which can be more personalized, or the expertise is acknowledged by colleagues as well as hierarchical bosses. The professional record is considered during interviews conducted by the Board of Directors, and the decision is taken on a collegiate level. The Objective model does not suffice to define public companies and does not provide enough knowledge to understand the practices of human resource management in these organizations, so we are facing a hybrid model.

Our study is reliable since research proceedings could be conducted by another researcher, at another time, and would lead to the same results (Drucker-Godard, Ehlinger, and Grenier in Thiétart 2003). One must also remember that our study presents internal validity since we collected data until no further information could be derived from them.

Nevertheless, it is stated that the results are based on a single case study. Content analysis raises major concerns of the respondents but does not allow access to more accurate information. Furthermore, the Alceste tool is based on detection and calculation

of used words as well as their recurrence, so conducting interviews with the respondents is considered to be biased to a certain extent because the words might be suggested by the researcher at the time of the interview.

Finally, it would be interesting to complement this study with other case studies and verify the obtained results by a more quantitative approach, by questionnaires. Also, the interviews should be conducted in a more meticulous manner, notably with a more thematic approach, conceivable and conceived with the help of N Vivo software.

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**APPENDIX 1**

**Introduction to the Interviewed SNCB Technicians**

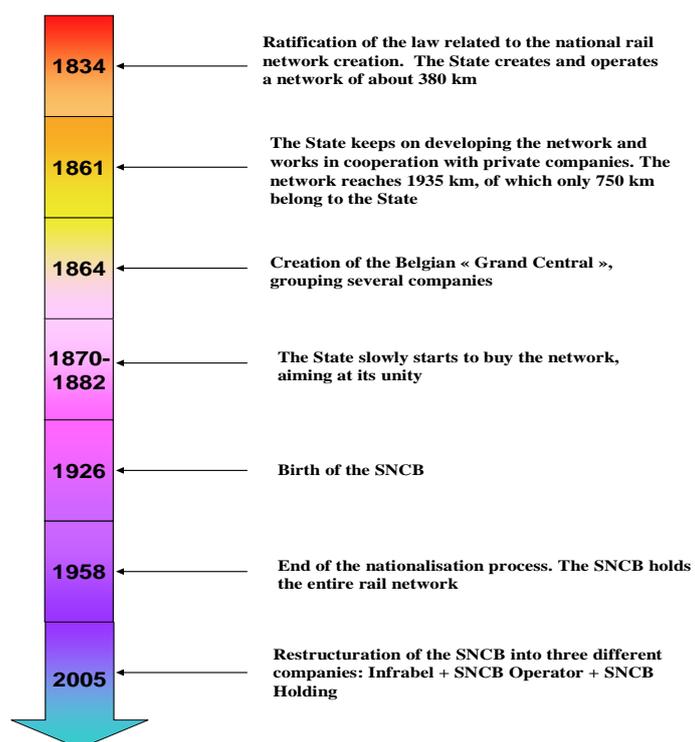
<b>INTERVIEWS</b>	<b>RANK</b>	<b>POSITIONS</b>	<b>PROMO TYPE</b>
Interview 1	4	Assistant technical master	Internal competition
Interview 2	7	Fitter	Taking the examinations
Interview 3	4	Administrative secretary	Internal competition
Interview 4	7	Security agent	No
Interview 5	4	Commercial secretary	No, did not qualify
Interview 6	4	Administrative secretary	Taking the examinations
Interview 7	4	Administrative secretary	Internal competition
Interview 8	4	Train driver	Internal competition
Interview 9	4	Main driver	Internal competition
Interview 10	4	Chief technician	Internal competition
Interview 11	4	Editor	Internal competition
Interview 12	4	Assistant technical master	Internal competition
Interview 13	4	Assistant head of office	Internal competition
Interview 14	4	Assistant head of office	Internal competition

**Introduction to the Interviewed SNCB “Managers”**

<b>INTERVIEWS</b>	<b>RANK</b>	<b>POSITIONS</b>	<b>PROMO TYPE</b>
Interview 1	3	Industrial engineer	No
Interview 2	3	Advisor, Head of project	Opportunity (recruited by a regional manager)
Interview 3	2	Main engineer/Civil engineer	Length of service (network)
Interview 4	3+	Main assistant/Industrial engineer	Length of service+exam of the very good
Interview 5	3	Industrial engineer	Length of service+exam of the very good
Interview 6	3	Juridic advisor/Main assistant	No
Interview 7	3	Advisor	No
Interview 8	3	Psychological prevention advisor	No
Interview 9	3+	Civil engineer/Main assistant	Length of service+exam of the very good
Interview 10	3+	Industrial engineer/Main assistant	Length of service+exam of the very good
Interview 11	3	Prevention advisor	No: does not belong to a trade union
Interview 12	1+	General Manager	Yes, switched company then came back
Interview 13	2	Main advisor/Head of department	Length of service+exam of the very good
Interview 14	3	Commercial and management engineer	No
Interview 15	3	Head of section	Internal competition (before rank 4)

## APPENDIX 2

### Chronological Timeline



APPENDIX 3

Flow Chart of the SNCB

