What is the Role of the HR Function in Irish Industry today?

A view from the HR Professional

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A thesis submitted in partial fulfilment for an MA in Human Resource Management

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Authorship Declaration

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of MA in HRM, is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

Signed: Helen Fitzgerald

Date: 16 June 2006

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Abstract

Although the work of Huselid (1995) provides some evidence of a positive link between what he calls 'bundles' of HR practices and organisational performance, there appears to be limited evidence overall showing HR's contribution to the bottom line. The Price Waterhouse Coopers (PWC) 2003 Benchmarking Report found that only 22% of Irish organisations were satisfied with the influence that HR exercised on their business strategy. IBEC's (2004) Human Resources Management Survey noted that 66% of organisations had a defined HR strategy, however only 40% of those were written and formal. The results of these surveys led to a number of questions which the author wished to examine regarding the role of the HR function in Irish industry today.

A review of the literature highlighted a number of uncertainties facing the HR function in terms of confidence, identity and direction (Torrington, 1998). It showed that the 1990's were a decade where the role of HRM was reappraised by many organisations. It also highlighted that the strategic importance of HRM requires the attention of the chief executive and senior management team as an organisation strives for competitive advantage. The author in undertaking this research is seeking to gain an insight into the role of a HR professional in Irish industry today. An insight into how that role has changed from the welfare role of the 1940s and 1950s where it was mainly to be found in organisations which had their roots in the Quaker tradition? Has the HR professional in Irish organisations evolved in the roles outlined by Ulrich and Brockbank (2005) of a human capital developer, employee advocate, strategic partner, functional expert and HR leader? In carrying out this research a number of senior HR professionals were interviewed from a wide range of sectors from retail to pharmaceutical to food and drink.

The findings of the research were analysed and a comparison drawn between the findings and the literature, a comparison of the 'rhetoric and the reality'. The findings of the research highlighted that all of the organisations interviewed had HR representation at the senior level management team. Only 50% of the organisations had a formal written HR strategy but in all cases HR plans were very much driven by business needs. The findings also explored the current role of the HR function and the challenges faced going forward. The HR function of the future will face the challenge ensuring the financial requirements
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of the organisation are met and while preserving the psychological contract and being in a position to retain a highly motivated and committed workforce in order to ensure that the organisation maintains a competitive advantage.
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I would like to thank all of those who have helped me as I have made my way not only through this thesis, but also through the past number of years of study.

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<td>CEO</td>
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<td>SHRM</td>
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Chapter 1

Introduction
Introduction

1.1 Introduction

Hope-Hailey et al (1997:5) notes that:

'There are new dimensions and constructs for both the role of the HR function and the way in which it is enacted within organisations.'

The aim of this paper is to examine the role of the HR function in Irish industry today; how that role has developed from the welfare role of the 1940s to the 21st Century and focus on what the main challenges are for the HR professional of today. Rather than exploring the development of personnel management, HRM or SHRM or debating the merits of the prescriptive models of HRM presented in the 1980s. The paper seeks to examine both the rhetoric of the current literature and the reality of the situation for the senior HR professional in Ireland today. Much of the literature on strategic HRM focuses on the HR function as a strategic partner. Despite the emphasis on this shift the Price Waterhouse Coopers (PWC) 2003 Benchmarking Report found that only 22% of Irish organisations were satisfied with the influence that HR exercised on their business strategy. Over three quarters of respondent companies indicated that they had HR representation on their senior team. The results of this study led the author to explore this area further and gain a greater insight into the role of a HR professional in Irish industry today.

Much is also written on the ‘crisis’ in HRM (Sparrow and Marchington, 1998) and questions remain as to whether this is actually a crisis or rather a lack of confidence, direction and identity within the HR role. The author also wished to examine how the role of HR was perceived both from the HR professionals view and how HR professional felt the HR function was viewed by the senior management of the organisation. A further objective of the paper is to obtain the views of senior HR professionals on all aspects of the role of HR. What are the positive and negative factors which influence their role? Does HR have an input into the overall business strategy?
Introduction

Having studied the area of HRM and SHRM over the past two years the author wished to gain an understanding of what the current and future role will be for the HR professional. After examining the research philosophies, approaches and strategies outlined in chapter 3 the decision was made by the author to gather data through in-depth semi-structured interviews. The research population was drawn from a wide variety of organisations within varying sectors of Irish industry. The participants all had a number of years experience in the field of HR and the organisations they worked in varied significantly. The participants were HR professionals who the author has professional contact with. Given a longer timescale the author would have liked to develop this study further by broadening the interviews to include the views of senior management and line managers.

This paper is broken up into a number of chapters briefly outlined below.

- Chapter one gives a brief overview of the paper and outlines the reason for undertaking this research.

- Chapter two gives a detailed description of the current literature, its thinking on the role and structure of HR and the uncertainties and dilemmas often faced by the HR professional. The chapter goes on to examine the development of the HR function and the perception of the HR role.

- Chapter three details the research methodology used to gather the primary research for this paper. The research philosophy, approach and strategy are discussed giving an overview of semi-structured interviews and details of the participating companies used in the primary research.

- Chapter four outlines the findings of the primary research under a number of different headings and themes which were developed during the course of reviewing the literature.
Introduction

- Chapter five is a comparison of the literature with the finding of the authors primary research, it is a comparison of the ‘rhetoric and the reality’.

- Finally, chapter six draws together a conclusion of the research and a number of recommendations are outlined.
Chapter 2

Literature Review
Chapter 2 – Literature Review

2.1 Introduction

The purpose of this chapter is to undertake a review of the existing literature before addressing the primary research. Schuler and Jackson (1999) view the evolution of personnel management as two phased; the first being from personnel management to HRM, the second being from HRM to strategic HRM (SHRM). SHRM is defined as ‘linking the HR function with the strategic goals and objectives of the organisation in order to improve business performance and to develop cultures that foster innovation and flexibility’ (Truss and Gatton 1991; Tyson, 1997). Sparrow (1999) and Sparrow and Marchington (1998) note that the 1990s witnessed a period of ‘fundamental change in both the context and content of HRM’.

Hope-Hailey et al (1997) noted the development of two different perspectives or models of HRM. The first of these models the ‘best practice’ model is concerned with outcomes (Beer et al, 1985, Guest, 1987) and focuses on the components of HRM or what Huselid (1995) calls the ‘HR bundle’. The focus is on the horizontal integration of HRM, the interaction of interventions such as selection, training and reward. The second model, the ‘contingency model’, is concerned with how the HR function realises the business strategy and focuses on the relationship between HRM and business strategy. With the best practice model the focus is on the vertical integration of HR with the business (Buyens et al, 2001). Hope-Hailey points out that in order to implement either perspective, the HR function needs to take on strategic and business role which is more in line with Legge’s (1978) ‘conformist innovator’ or Tyson and Fells (1986) ‘architect’ model rather than their ‘clerk of works’ model.

In undertaking this research the author is not examining the question of whether or not personnel management has evolved into HRM. Nor, are they seeking to critique either the ‘best practice’ or ‘best fit’ models of HRM, but rather seeks to examine what those changes have brought to the HR professionals in Irish Industry today. As Hope-Hailey et al (1997:5) notes, the way in which HRM is practised has changed and there are new
dimensions and concepts for both the role of the HR function and the way in which it is viewed in an organisation.

2.2 Contradictions and Crisis in HRM

More seems to written of the problems and issues that HR faces than any other stream of management. Recent talk is of the ‘crisis’ that faces HR. Sparrow (1999) and Sparrow and Marchington (1998) note the tensions and contradictions which have emerged within the field of HRM. The question is, rather than a crisis in HRM, is this a crisis of confidence and is it justified or not. The HR practitioners of today are faced with and increasing number of dilemmas, some of which have always been there and others very new. Changes in the way people work and its role in society have impacted the role of the HR professional. Torrington (1998) argues that HR professionals should not be blamed for such changes. There have also been a number of changes in business systems and in the wider political economy and the impact of globalisation all of which have had an impact on the role of HR.

Purcell (2001) argues that the role and position of the HR function can become a mixture of guilt and boredom. That HR professionals suffer form guilt, where they feel there is an inability to hold their own in the corporate corridors of power and boredom on the endless debate of whether HRM is different to personnel management.

Torrington (1998) suggests that this crisis in the HR function stems from uncertainties in confidence, identity and direction. Results are almost impossible to measure and HR successes and failures are largely the success or failure of others. He notes that commentators in other streams of management do not constantly question how they can be more influential or effective. The 1990s brought a focus on the replacement of personnel management by HRM and the need it was argued, to be more strategic minded and spend less time on operational HR. A number of studies have found that personnel managers were not as effective or as strategic as they should have been (Guest, 1990;
Monks, 1992). That personnel managers were seen as 'clerks' and 'contract managers' rather than 'architects'.

Torrington (1998) also looks at the question of strategy or operational HRM, and feels that many were 'seduced' by the idea of being seen as strategic. He notes that an extensive body of literature has been written on HR strategy and how this can meet the needs of the business. HR strategy, in his view, needs to be externally integrated with business strategy, internally integrated and developed in collaboration with general management. He also notes that the crisis for personnel people entering the new millennium is not to get the right degree of involvement in strategy, or to work out what HRM means, but to make sure they remain closely involved in the process of the business, rather than in the structure, culture and systems of the organisations.

Storey (1995) viewed HRM as a 'fragile plant' when it first emerged in the 1980s, but argues that it soon took hold. This view, he says, has been supported by others such as Ulrich (1997), Pferrer (1998), Huselid (1995) and Legge (1995). He says crisis is not the most appropriate term. However there are still uncertainties particularly relating to the meaning on HRM, the practice of HRM and the ethical standing of HRM.

Keenoy (1990) refers to the 'brilliant ambiguity' of HRM and that these ambiguities can only be resolved by accepting the metaphor of 'HRM as hologram'. Storey (1987) and Guest (1987) discuss the confusion which arises and persists because people use the term frequently, while ignoring a key distinction that was made at the beginning. That HRM is on the one hand 'a generic term simply denoting any approach to employment management and on the other, HRM as one specific and arguably minority form or approach to employment management'.
2.3 Development of the HR Function in Irish Industry

Gunnigle and Moore (1994) make reference to the 1980s as a decade where the role of HRM was re-appraised by many organisations. The onset of recession combined with a decrease in union membership and increased market competition forced many organisations to seek new ways of achieving competitive advantage and as such led to more innovative approaches to HRM. According to Gunnigle (1999), there is wide acceptance that HR management practice has undergone significant change since the beginning of the 1980s. In examining why this change has occurred it was noted that the pluralist tradition has come under increasing challenge, particularly in the US. Developments in the wider economic, social and political environments have been noted as the main catalysts for this change.

Much of literature over the past decade discusses achieving a closer alignment between business strategy and HR management. There has been a move from traditional industrial relations and collective bargaining, to a more individual approach. Gunnigle and Moore (1994) argue that the most pervasive form of HRM in Ireland is one of ‘neo pluralism’, characterised by the use of techniques such as direct communications and performance related pay systems alongside established collective bargaining procedures. However they also see a growth in ‘hard’ HRM where companies use performance management techniques to manage human resources in such a way as to ensure the maximum contribution to business performance.

Monks (1996) examined the roles carried out by those responsible for people management in Irish organisations to see whether the traditional roles of the HR function of recruitment, training and employee relations were still the key issues of the role. The various roles the HR function has undertaken were traced from the welfare stage of the 1940s and 1950s to strategic planner and business manager of the 1990s. Monks noted that the initial development of the personnel function in companies where there was a strong Quaker tradition, where the emphasis was placed on the concern for the health and
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well being of employees. The personnel function has traditionally been largely dominated by women and that this as suggested by Legge, (1995:21)

‘inevitably meant that the function would carry a legacy of being of low status and unimportance, at least in comparison to central male activities, such as production, finance and so on’.

Monks (1996) says that in the 1950s and 1960s personnel management grew and developed and that during the 1970s went through the industrial relations era. The main areas of activity of the personnel function were outlined in a by Institute of Personnel Management (IPM) as;

- manpower planning;
- employee training and development;
- remuneration;
- industrial relations;
- employee communications;
- organisation development;
- personnel administration.

Throughout the 1980s the role for many personnel managers was one of industrial relations, however this was not the case for all. Through the 1980s the economic uncertainties of the time brought challenges which were highlighted in the IPM’s annual conferences of the early 1980s, with themes of ‘Survival Management’ and ‘Job Losses: the price of being competitive’.

In the 1990s, the roles turned to that of the personnel practitioner as a business manager and human resources specialist. This was highlighted in the themes of the Institute of Personnel and Development (IPD) conferences such as in 1992; ‘Horizons for Change’ and 1995s ‘No Finish Line’. Monks (1996) notes that whilst the rhetoric of these conferences suggested that personnel management had moved to making strategic decisions, the reality may not have been as widespread.
The work of Gunnigle and Moore (1994) and the Price Waterhouse Cranfield Study show that although 50% of respondents reported personnel involvement in the development of corporate strategy, in the remaining companies, over 25% of the personnel involvement was confined to a consultative role. Monks (1996) in her conclusion on the roles of personnel managers noted that the issues concerning the function have remained constant, although the language may have changed. The need to manage the employment relationship is central to the role of the personnel manager and the management of the psychological contract is a critical issue for the 1990s. The search for status and acceptance at board level was an issue which perturbed the IPM in the late 1970s as well as today. Monks (1996) argues that the rush to get to the board level where only hard facts and figures are recognised may result in a loss of the specialist skills necessary to the maintenance and development of the employment relationship. A combination of both business and behavioural skills will result in greater opportunities and greater acceptance for the specialist role that personnel managers can play.

2.4 Linking Business Strategy and HRM

Gunnigle (1999) points out that much of the interest in linking business strategies and HR policies is driven by the quest for competitive advantage. Porter (1985, 1987), a leader in this field, argues that the focus of strategic decision making should be on the development of appropriate competitive strategies at the level of individual business units. He identifies three generic competitive strategies; cost leadership, product differentiation and focus strategy. He argues that the HR strategy of an organisation will be dependent on the competitive strategy that an organisation pursues. Academics, consultants and practitioners argue that if HRM wants to create added value, it has to become a full strategic partner with the business in achieving strategic goals (Buyens et al, 2002).
Gunnigle and Moore (1994) discuss the change in management approaches to personnel/HR management in Ireland since the 1980s and suggest there has been:

- a diminution in the role of trade unions;
- a growing trend towards individualism in management-employee relations;
- greater links between business strategy and personnel policy choice.

There appears to be a great deal of confusion in Irish industry as to the nature and extent of the changes in HRM. Personnel management in Ireland has a long association with a strong collectivist approach, which is often referred to as 'pluralism'. Within this model HRM is more concerned with adversarial collective bargaining rather than strategic decision makers. Gunnigle and Moore (1994) considered the results of the Cranfield Study (1992) and examined the evidence for change in managerial approaches to HRM. Over half the responding companies had a personnel/HR strategy, with 29% of those written. When asked whether HR was involved in the development of corporate strategy over half the respondents said HR were involved from the outset. However, the main question here is whether or not there is simply an increase in participation of personnel practitioners in this area rather than in the all important area of influence. Legge (1978:16) points out that

'no amount of advocacy of policy based on best practice will alter the nature of personnel practice in companies if the managers responsible for implementing such policy lack the power to do so'.

Gunnigle and Moore (1994) talk of the HRM function becoming more obvious in managing the process of strategy. HRM policies have a key role to play in effective strategy implementation and achieving alignment between strategic direction and workforce management practices. Johnson and Scholes (1993) examine organisations where change has been managed successfully and state that ‘organisations which successfully manage change are those which have integrated their human resource management policies with their strategies and the strategic change process’. Purcell (1989) differentiates between ‘upstream’ decisions, those which are concerned with the
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long term direction and nature of the organisation and ‘downstream’ strategic decisions, which deal with the implications of the first order decisions. Personnel policy choice is seen as an important ‘downstream’ strategic choice which serves to implement ‘upstream’ strategic decisions on competitive strategy effectively.

Figure 2.1 Upstream and Downstream Strategic Decisions-Making
(Source: adapted from Purcell, 1989)

Gunnigle (1999) notes that HRM is increasingly recognised as a key element in implementing competitive strategies, in particular when focusing on issues such as increasing productivity and reducing labour costs. There has also been an increase in changes to organisational structures, movement of jobs to low cost regions, more mergers and acquisitions. Gunnigle points out that all of these have put a greater emphasis on managing diverse workforces and standardising HR practices.
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The results of the Cranfield Study presents a mixed picture, although some Irish organisations appear to be successfully aligning HR policies and business strategy, this development does not seem widespread and the research data indicate limited evidence of change in HR practices in the majority of Irish organisations. Storey (1992) views strategic importance of HRM as requiring the attention of chief executives and senior management teams as they strive for competitive advantage. Huselid (1995:636) refers to conceptual literature which concludes that

*human resource management practices can help to create a source of sustained competitive advantage, especially when they are aligned with a firms competitive strategy*.

Although Gunnigle (1999) says that there is little evidence that HR management contributes to the organisations bottom line. The work of Huselid (1995) points to a positive impact that HR management can have on organisation performance. Huselid’s work provides evidence of a positive link between a particular set or what he call ‘bundles’ of HR practices and organisation performance. He does not identify any specific combination as he says that different ‘bundles’ of HR practices may suit particular circumstances. He also pointed out the need for internal ‘fit’, or the extent to which different HR practices complement each other.

The view taken by Buyens et al (2001) is that much of the existing theories and strategies concentrate on HR involvement as a strategic partner, suggesting that this is the main or the only stage where the HR function can deliver value. They developed a framework in which the HR function is represented at different stages of the decision making process. This framework outlined in Figure 2.2 below covers decisions regarding highly diverse HR issues, from HR strategy to administrative decisions.
Buyens et al (2001) argue where the decision-making process starts with a review of where an organisation is and where it wants to be. Where the HR professional is involved from the start, it can be described as anticipative. Where involvement is restricted to implementation only then is the HR professional dealing with reactive HRM.

**Figure 2.2 Involvement of HRM in decision-making processes**
*Source: Buyens et al (2001) Perceptions of the value of the HR function p.76*

### 2.5 Representation of HR at Board Level

Sisson (1995) argues that if HR is not represented at board level personnel issues will just be seen as second order. Torrington (1998) says the questions of representation at board level goes back to the Donovan Report of the 1960s. Studies carried out during the 1990s show varying numbers of the personnel functions represented at board level.
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From Millward et al (1992) with a figure of 69% to Brewster and Smith (1990) who found that 63% of companies had representation at board level. IBECs (2004) study showed that in 53% of organisations HR functions were directly represented at board level, with 44% of organisations having some form of representation at senior level. Representation at board level did not necessarily mean that there was an increase to its influence, and for some HR was mainly dealing with the implications of decisions rather than having an input into the decision making process. Torrington (1998) argues that in some cases, informal networking, political interplay and hard work was more successful than formal board status. In examining the operational role of the HR function he says that there is very little literature written on this issue. He says that to some degree, the literature assumes this should be devolved particularly to line managers. He goes on to say that the contribution which the HR function brings to strategic thinking will gradually be devalued if it has no operational weight and responsibility.

'Bright ideas from people who also have to deliver are much more realistic and more welcome than bright ideas from people who do nothing else but dream up clever schemes for other people to implement'.

The personnel function has a clear role in strategy development and its implementation. Their expertise and their authority in strategic discussions derive from their activity at the operational level. Abandoning operational activity and specialist knowledge is a high-risk strategy.

Storey (1992) argues that if the board are attending to the strategic elements of HRM then HR representation at board level is not vital. HRM policies should take their cue from aligning the competitive environment, business strategy and HRM strategy. If HR policies are so critical to the success of a business then it is too important to be left to operational personnel specialists.
Chapter 2 — Literature Review

Much of the drive for HRM came in fact, not from personnel specialists, but from line and general managers. HR activity is very much focused on the training and developing of managers, management career planning and performance management systems are mainly focused at management level. Storey states that HRM is highly persuasive narrative and helps to give some shape, direction and meaning to an otherwise complex world.

2.6 The Development of the HR Role

Monks (1996) points out that there have been many attempts to understand the roles performed by personnel managers. In the UK a number of studies have been conducted including those by Legge (1978), Watson (1977; 1986), Tyson and Fell (1986), Guest (1980) and Story (1992). In Ireland studies have been done by Shivanath (1986), Gunnigle (1990; 1996) and Monks (1992/3).

Tyson and Fell (1986) identified three styles of personnel management, ‘clerk of works’, ‘contract manager’ and ‘architect’. Hope Hailey et al (1997) noted the swing of the pendulum of the HR role from a negotiator in collective bargaining and an administrator of policies procedures in 1970s to the architect role defined by Tyson and Fell. Storey (1992), in a study of HR’s role in change management identified four potential roles of the HR function, change agents, advisors, handmaidens and regulators.

Following the recession of the 1990s, commentators considered the demise of the HR/personnel function. Adams (1991) put forward four different ways in which personnel management could be delivered instead of the traditional personnel function model: as an inhouse agency, an internal consultancy, a business within a business or using external consultants.
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Monks (1992/3) studied 97 Irish organisations, and identified four types of personnel practice:

- traditional/administrative (similar to Tyson and Fells 'clerk of works');
- traditional/industrial relations;
- innovative/professional, and
- innovative/sophisticated.

In the innovative/sophisticated model personnel managers described their roles as 'business managers', 'consultants', 'facilitators' and 'experts'. These managers were involved in strategic plans and the personnel function was represented on the boards of their organisations. Ulrich (1997) outlined a framework that defined four key roles that HR professionals must fulfil to make their business partnership a reality. Figure 2.3 outlines the four key HR Roles that Ulrich believes are necessary to build a competitive organisation.

![Figure 2.3 HR Roles in Building a Competitive Organisation](Source: Ulrich (1997) Human Resource Champions, p.24)
Chapter 2 – Literature Review

Ulrich believed that coming from these generic roles the images that characterise the HR professional of the future would include strategic partner, administrative expert, employee champion and change agent.

2.7 The HR Role - Today

Renwick (2003) assessed the role of the HR manager in adopting a strategic role within an organisation. He looked at the devolution of HR activities to line managers and questioned whether HR managers still continued to be the guardians of employee wellbeing. The study contained interviews with over 46 line managers over a two year period. He concluded that if HR managers adopt a strategic approach and if they ignore the role of securing employee well being they may miss a great opportunity to define a comprehensive role for themselves within those organisation.

Tamkin et al (2006) noted that the HR function had experienced considerable change. New HR structures, roles and process such as shared service centres, outsourcing and business partners were thought to have altered career paths in a fundamental way. They examined how HR career paths are changing as new roles and structures appear and found that many large HR departments have moved to what Ulrich (1995), termed a ‘three legged function’, as shown in Figure 2.4. Ulrich viewed the HR functions reason of being as being the value of the function from the point of view of users or customers and they value the receive from HR.
Tamkin et al (2006) refer to a number of changes which have impacted the new HR function including:

- changes to organisational structures;
- process change and e-HR;
- impact of HR outsourcing;
- development of line managers.

Although many of the respondents believed that the standing of HR in their organisations had increased it did not always mean that the HR function had a place on the board. They noted when looking to the future that tensions between cost cutting and strategic partnering do not always sit comfortably alongside old models of HR and old career paths. Shared services and outsourcing have in many instances led to dispersed HR units, dealing with their client base in a more remote and transactional way, while business partners seek to get closer to the organisation and make a strategic contribution. Some respondents felt that the traditional operational focus of HR will get neglected in favour
of the strategic approach. Distinctions between transactional and transformational activities appear more marked that ever, as are distinctions between generalists and specialists.

Wiley (2001) carried out a study on HR practices and trends in Ireland. She looked at the immediate and future priorities for HR issues and found a number of key themes for 2001 to 2003, outlined in Figure 2.5 below.

Figure 2.5 Key HR Themes for 2001 and 2003

A comparison of Wiley's findings to the findings of the 21st Century Vision: A worldwide Human Resource Study commissioned by IBM in the 1990's shows education and development registering high on both.
### Table 2.1 Highest Priority HR Activities – 2000, 2001, 2003 and Beyond


The comparisons of the studies were not exact. Retention, industrial/employee relations and health, safety and welfare did not appear among the choices in the IBM Study.
Chapter 2 – Literature Review

The survey noted that the ratio of HR staff to total number of employees was approximately one to 85 employees. When compared to most US organisations, according to the Bureau of National Affairs (BNA), where the rate of HR staff to employees is one to one hundred, it shows that Ireland may still lag behind US organisations.

In terms of the HR role itself the survey asked respondents to indicate what percentage of time they felt they spent on the following roles:

![Percentage of time spent on the various HR roles](image)

Figure 2.6 Percentage of time spent on the various HR roles
In examining HR and line management involvement the survey found that the HR areas in which line managers were most involved in were:

- health, safety and welfare;
- industrial relations;
- training and education;
- employee communication;
- investigation of employee complaints.

In examining the impact of HR on organisational results many of the respondents felt that unless HR could demonstrate that it had an impact on the bottom line, it will be seen as an 'overhead'; a department which does not contribute to organisational results. It was clear that very few organisations measured the impact of HRM. When the view of the HR executives was compared to the view of other line executives, nearly 60% of HR executives believed that the HR department has a significant impact on organisational results compared to only 30% of line executives. IBECs (2004) Human Resources Management Survey noted that six out of ten participating companies had a designated HR specialist. This figure varied within the differing sectors with 94% of large companies having a HR specialist in their workforce. The survey also noted that 38% of companies had contracted out part or all of their HR activities, training being most likely to be contracted out, followed by recruitment and payroll. Approximately 66% of the companies stated that they had a defined HR strategy, however, only 40% of these were written and formal.

In examining the priorities of the HR function and the average time spent on HR activities over the past 12 months, recruitment, administration and payroll, training and development and industrial/HR relations came out as the top four. In looking forward to the following 12 months the top four priorities came out as training and development, performance management/appraisal, industrial/HR relations and staff communications.
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Rubis et al (2005) examined a number of long term developments that have dramatically altered the practice of HR. The top ten changes noted by Rubis in the US were:

- justice for all, from the Civil Rights Act, to the protection of employees with disabilities;
- diversifying demographics which have led to challenges of ensuring non-discrimination, equity, communication, teamwork and shared values among people of all ages, races, sexes and religions.
- decline of the unions;
- increasing costs of health care benefits;
- HR technology;
- the rise of the knowledge worker;
- movement from defined benefit pension plans to defined contribution pension plans;
- the global economy - which influences everything that HR does from salaries and health care costs to diversity training and staffing;
- evolution of HR to becoming a strategic partner;
- the impact of terrorism – since the September 11 attacks on the World Trade Centre.

2.8 HR Role – Tomorrow

Kushner (2005) noted that there will be significant change in the delivery of health care benefits through the US workplace by 2015. HR professionals will need to have an understanding of the quality and cost of health care providers, and which providers produce the best outcomes. Longnecker (2005) suggested the three integral elements of building and maintaining a strong, productive workforce attraction, retention and motivation will evolve into a new philosophy of performance management, financial attraction and intrinsic factors. Compensation will move away from covering traditional benefits and will become more strategic and influential. HR professions will have to have an understanding of reward management and will have to deal with incentive based pay...
and variable pay and bonuses, to focus employees on setting and reaching targets throughout the year.

Ganes-Robinson et al (2005) suggested that over the next decade training will transform into a ‘learning and performance’ strategic function. Globalisation will drive economic interdependency, resulting in the need to provide learning services in diverse organisations. Technology will provide channels for the distribution and methods used in learning. Learning and performance professionals will be ‘experts’ forming part of a centre of excellence where accountability and measurement will become routine. Ryder (2005) focuses on the future of HR technology and considered that at present HR departments only use between 25% to 50% of the features available on their HR information systems (HRIS). The future HR professionals and employees will have greater access to software through the use web based systems such as internet and intranet systems. Analytical tools will provide HR professionals with the ability to create complex models that can demonstrate the value of HR to an organisation.

Fuchtgott-Rott (2005) noted the emerging challenges in staffing, brought about by the changing demographics, workforce readiness and global competition which will both create obstacles and opportunities for HR. There will also be a growth in industries which relate to technology require a well-educated workforce.

CIPD (2006) view the key issues facing today’s HR professional as being:

- recruitment and retention;
- reward management;
- learning, training and development;
- performance management;
- absence management, and
- flexible working.

The challenge facing HR in their view is the greater emphasis on cost reduction and raising productivity. An important element going forward will be to demonstrate that
effective people management is crucial to the bottom line. There is a fine line that needs to be walked, on the one side the financial requirements need to be met and on the other the need to preserve the psychological contract and maintain commitment and engagement from employees. The challenge will be to reward and motivate employees to achieve higher performance in a cost effective manner. Recruiting, retaining, rewarding and developing the right people will lead to the success of the organisation. Ulrich (1997) stated that he believed that the next ten years will be the HR decade. The increased pace of change required by technology, globalisation, profitable growth, and customer demands places workforce competence and organisational capabilities are placed at centre stage. He outlined eight major competitive challenges and argued that HR holds the key to success:

- globalisation;
- value chain for business competitiveness and HR services;
- profitability through cost and growth;
- change, change and change some more;
- technology;
- attracting, retaining and measuring competence and intellectual capital;
- turnaround is not transformation.

HR professionals must focus on deliverables and be able to articulate their role in terms of value created. HR professionals need to measure results in terms of business competitiveness rather than employee comfort. Ulrich also outlined a number of myths outlined in Table 2.2 which he argued kept HR from being a profession.
Old Myths | New Realities
---|---
People work in HR because they like people | HR departments are not designed to provide corporate therapy or as social or health-and-happiness retreats. HR professionals must create the practices that make employees more competitive, not more comfortable.
Anyone can do HR | HR activities are based on theory and research. HR professionals must master both theory and practice.
HR deals with the soft side of a business and is therefore not accountable. | The impact of HR practices on business results can and must be measured. HR professionals must learn how to translate their work into financial performance.
HR focuses on cost, which must be controlled. | HR practices must create value by increasing the intellectual capital within the firm. HR professionals must add value, not reduce costs.
HR’s job is to be the policy police and the health and safety and happiness patrol. | The HR function does not own compliance – managers do. HR practices do not exist to make employees happy but to help them become committed. HR professionals must help managers commit employees and administer policies.
HR is full of fads. | HR practices have evolved over time. HR professionals must see their current work as part of an evolutionary chain and explain their work with less jargon and more authority.
HR is staffed by nice people. | At times, HR practices should force vigorous debates. HR professionals should be confrontative and challenging as well as supportive.
HR is HR’s job. | HR work is as important to line managers as are finance, strategy and other business domains. HR professionals should join with managers in championing HR issues.

Table 2.2. Myths that keep HR from being a profession
In 2005, Ulrich and Brockbank revised Ulrich's original model and proposed a new consolidated model which outlined their new vision for the future of HR. This update is a response to the changing roles they observed in the leading organisations in which they work. Figure 2.5 shows a synthesis of the new roles of HR as defined by Ulrich and Brockbank.

![Diagram of Ulrich and Brockbank's roles for HR]

**Figure 2.7 Ulrich and Brockbank's (2005) Synthesis of Roles for HR**
*Source: Ulrich and Brockbank (2005) Role Call, People Management Vol.11 No.12*

Ulrich and Brockbank suggest that the five roles synthesise the diverse thinking in the evolution of the HR function. They say the HR professional of today needs not only to be an employee champion but also need to serve the employees for tomorrow with human capital development. The role of the strategic partner has broadened to become one of business expert, change agent, knowledge manager and consultant. They take the view
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that not all HR professionals will play all roles equally and the role they play may be
dependent on the organisation in which they work. However, the view taken by them is
that when a HR professional masters all of these roles they will add value to whatever
organisation they work in.

2.9 Conclusion

The purpose of this chapter was to review the literature surrounding the changing role of
the HR function with particular reference to Irish industry. What is clear from the
literature is that although we have had numerous writings on the whole area of personnel
management, HRM and SHRM, there is still a great deal on uncertainty around the area.
Having reviewed what is known as the ‘crisis’ in HRM the uncertainties seem to be
primarily in relation to where the HR function sits within an organisation. Should it be
more strategic, more operational, does it have a place at the top? The HR as a function
seems to be continually questioning the importance of the role, has it become strategic,
does it deserve to sit at the top table along side other streams of management such as
finance and marketing.

The HR role has evolved within many organisations over the past number of year. What
is unclear is how much the role has changed and whether or not there has been the same
level of change in every organisation. The HR role in Irish industry had its roots in
traditional Quaker organisations. The function was predominately female as suggested by
Legge (1995) would carry a legacy of being low status and importance compared to the
more important and male dominated functions of finance and production. The personnel
role was seen as an employee advocate and welfare role, mainly taking care of
employees. By the 1990s this role has have changed significantly, HR has begun to be
seen as part of the decision making process. The importance of HR began to have
significance HR began to be seen as having a place at the senior team level. The HR
professional within some organisations was no longer seen as a Tyson and Fells (1986)
‘clerk of works’ and began to be seen a what Ulrich (1997) calls a ‘change agent’, a
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'strategic partner', an 'administrative' and an 'employee champion'. A question arises here whether as part of the senior team, the HR professional has any actual influence and input in to decision making process or whether they are just there to implement decisions.

Many factors have influenced the role of today's HR professional, new work practices, globalisation and technology to name but a few. High on the agenda for today's HR professional is the need to manage labour costs and development succession planning and development programmes so that they will be in a position to retain their high performers. The HR professional of tomorrow will need to have an understanding of the business, knowledge of health care systems, HR technology, and reward management in order to be in a position to design and implement a HR strategy to ensure that they retain and manage the organisation's best performers whilst still managing labour costs.

The debate on the role of HR in an organisation is far from over. In the primary research, the author interviewed a number of senior HR professionals to gain an insight into what from their own perspective, it means to HR professional in Irish industry today. How they spend their time, what are their priorities, what are the positive factors which influence their role. What are the barriers to the success of their role? How they felt HR was viewed by the CEO and senior team of the organisation? This aim of this research is to undertake a comparison of the 'rhetoric and the reality'.
Chapter 3

Research Methodology
Chapter 3 – Research Methodology

3.1 Introduction

In deciding a research approach Saunders et al (2003) compare research with that of an onion as shown in Figure 3.1 and notes that before coming to the central point of data collection, there are a number of important decisions or layers to be peeled away. The author has decided to follow this approach in examining existing research philosophies, approaches, strategies, time horizons and data collection methods.

Figure 3.1. The Research Process ‘Onion’
3.2 Research Philosophy

Saunders et al (2003) notes that there are three distinct research processes which dominate literature: positivism, interpretivism and realism. They argue that the way a person thinks about the development of knowledge can impact the way they undertake research.

A positivism philosophy will mean that a person will adopt a philosophical stance and would prefer to work with an observable social reality. The end product of their research can be law-like generalisations similar to those produced by the physical and natural scientists’ (Remenyi et al, 1998). Gill and Johnson (1997) note that in the positivism philosophy there will be an emphasis on a highly structured methodology to facilitate replication and on quantifiable observations that lend themselves to statistical analysis.

An interpretivist philosophy, often referred to as a phenomenological approach, would argue that the business world is too complex to be reduced to a series of law like generalisations. A phenomenon is ‘a fact of occurrence that appears or is perceived, especially one of which the cause is in question’ (Allen, 1990:p.893). Business situations can be unique and dependent on a particular set of circumstances or individuals. Interpretivists would argue that generalisability is not crucial and that the value of generalisability is lost when you accept that the circumstances that apply today may not apply in three months time. Remenyi et al (1998) argue that it is necessary to discover ‘the details of the situation to understand the reality working behind them’. The role on an interpretivist is to understand ‘the subjective reality of those that they study in order to make sense and understand their motives actions and interactions in a way that is meaningful for these research participants’.

A realism philosophy is based on the belief that a reality exists that is independent of human thoughts and beliefs (Saunders et al, 2003). They argue that social objects or phenomena that are external to, or independent of individuals will affect the way in which people perceive their world, whether they are aware of these forces or not. A
realism approach understands the importance of people's socially construed interpretations and meanings, or subjective reality, within the context of seeking to understand broader social forces, structures or processes that influence, and perhaps constrain, in the nature of people's views and behaviours.

Saunders et al (2003) note that research does not normally neatly fall into just one domain and that research particularly dealing with business and research management can often be a mixture of positivist and interpretivist and can sometimes reflect the stance of realism. Having gained an understanding on the different research philosophies the author is of the view that the interpretivism philosophy is the most appropriate in these particular circumstances.

3.3 Research Approaches

Saunders et al (2003) note that there are two distinct approaches to research. A deductive approach, where a theory and hypothesis are developed and a research strategy is designed to test the hypothesis. An inductive approach is where the data is collected and a theory is developed as a result of the analysis. According to Hussey and Hussey (1997) the deductive approach is the dominant approach used in natural sciences where 'laws provide the basis of explanation, permit the anticipation of phenomena, predict their occurrence and therefore allow them to be controlled'.

Social science researchers of the 20th century were wary of the deductive approach and argued that it was necessary to develop an understanding of the way in which humans interpreted their social world. Followers of an inductive approach are also critical of the rigid methodology of a deductive approach which they argue does not permit alternative explanations to what is going on. Easterby-Smith et al (2002) note that researchers using an inductive approach are more likely to work with 'qualitative data and to use a variety of methods to collect these data in order to establish different views of phenomena'. Those using an inductive approach are more likely to use a small sample of subjects, rather than a large number, which would be used with a
deductive approach. Table 3.1 shows the major differences between deductive and inductive approaches to research.

Table 3.1: Differences between deductive and inductive approaches to research

<table>
<thead>
<tr>
<th>Deduction emphasises:</th>
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<tr>
<td>• scientific principles;</td>
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<tr>
<td>• moving from theory to data;</td>
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<tr>
<td>• the need to explain casual relationships between variables;</td>
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<tr>
<td>• the collection of quantitative data;</td>
</tr>
<tr>
<td>• the application of controls to ensure validity of data;</td>
</tr>
<tr>
<td>• the operationalisation of concepts to ensure clarity of definition;</td>
</tr>
<tr>
<td>• a highly structured approach;</td>
</tr>
<tr>
<td>• researcher independence of what is being researched;</td>
</tr>
<tr>
<td>• the necessity to select samples of sufficient size in order to generalise conclusions.</td>
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</table>

<table>
<thead>
<tr>
<th>Induction emphasises:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• gaining an understanding of the meanings humans attach to events;</td>
</tr>
<tr>
<td>• the collection of qualitative data;</td>
</tr>
<tr>
<td>• a more flexible structure to permit changes of research emphasis as the research progresses;</td>
</tr>
<tr>
<td>• a realisation that the researcher is part of the research process;</td>
</tr>
<tr>
<td>• less concern with the need to generalise.</td>
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</table>

The research approach taken by the author is an inductive approach, the objective of the research is to gain an understanding of how the HR function is perceived by HR professionals. The author felt that collection of qualitative data through the use of in-depth interviews would allow a greater insight to the view of the HR professionals.

3.4 Research Strategy

The author examined a number of different research strategies to determine which would be the most appropriate to use for the particular research question and objectives. These strategies included:

- experiment;
- survey;
- case study;
Chapter 3 – Research Methodology

- grounded theory;
- ethnography;
- action research;
- cross-sectional and longitudinal studies;
- exploratory, descriptive and explanatory studies.

Saunders et al (2003) point out that these strategies do not exist in isolation and research can be a mix of a number of strategies particularly when using quantitative and qualitative methods. The author has examined a number of existing surveys as part of secondary data and has decided that the primary research would be a qualitative and cross-sectional and decided to interview a number of senior HR professionals in leading organisations in Irish industry. The objective was to obtain a qualitative picture of the way the HR function or role was perceived by the HR professionals and how they felt HR was perceived by the senior team and CEO within their organisation.

3.5 Interviews

In the decision to proceed with data collection through interview the author was aware of the constraints regarding access, as Buchanan et al, (1988) noted ‘physical access may take weeks or even months to arrange, and in many cases the time invested will not result in access being granted’. Easterby-Smith et al (2002) also refer to the issue of access and suggest the access is usually more successful where you have already existing contacts. The author decided that the best course of action in gaining access was to use existing contacts in organisations and also contacts from professional colleagues. This was a useful method to gain access to as many people as possible within the short time frame available. Due to the nature of the work the author of this paper is involved in, they were already familiar with a number of human resources professionals in a broad range of sectors in Irish industry. The author approached a number of organisations and outlined the framework of their research topic. The author also discussed the timeframe involved for their research and the time it would take to interview the participants. The author discussed the option of conducting face
to face interviews or telephone interview dependent on constraints on time. Easterby-Smith et al (2002) suggest that you are more likely to be successful in gaining access where you are seeking minimum amounts of time and resources.

The author also stressed the high level of confidentiality placed on any of the information given by the participants. The author assured the participants that the names of the organisations would not be used at any point of the research. Bell (1999), notes that it is particularly important when writing up work to ensure confidentiality particularly where organisations could be indirectly identified. Figure 3.2 shows the different types of qualitative interviews

![Figure 3.2 Different types of Qualitative Interviews](Source: Saunders et al (2003), Research Methods for Business Students, p.247)

3.6 Semi-Structured Interview

Kahn and Cannell (1957), say that an interview is a powerful discussion between two or more people. An interview can help to gather valid and reliable data that is relevant
Chapter 3 – Research Methodology

to the research question and objectives. Interviews can be structured, semi-structured or unstructured. For the purposes of this research the author felt that the most appropriate type of interview was a semi-structured in-depth interview. Semi-structured interviews are normally used in qualitative research in order to conduct discussions not only to reveal and understand the ‘what’ and the ‘how’ but also to place more emphasises on the ‘why’. In-depth interviews are a way to explore what is happening and to ‘seek new insights’ (Robson, 2002: 59).

Where using a large number of complex or open ended questions or where the order and logic of questioning may need to be varied the interview will be the most advantageous approach to use in obtaining data (Easterby-Smith et al., 2002; Healey, 1991; Jankowicz, 2000). It has been noted by a number of researchers that participants prefer to be interviewed rather than fill in questionnaires (North et al., 1983; cited in Healey, 1991).

3.7 Preparation for the Interview

The author contacted the participants a week before each interview and set up a time for either a face to face interview or a telephone interview depending on the time constraints of the participants. At this point the author had completed the literature review and was well versed on the themes they wished to discuss. The author had also researched each of the participants companies to ensure that they had a broad knowledge of each company. Healey and Rawlinson (1994:136) note that ‘a well informed interviewer has a basis for assessing the accuracy of some of the information offered’. The author emailed each of the participating companies a list of the themes of the interview to allow the participants to consider the information which was being requested, and allowing the participants an opportunity to prepare. As the interviewer was used to dealing with the participants in a professional manner, the interviewer as Robson (2002) advises adopted a business dress code and manner in undertaking the interviews.
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The interviews undertaken were a combination of face to face interviews and telephone. Due to the time constraints and work pressures of some of the participants, it was not possible to meet face to face. Some of the interviews took place at IBEC’s offices following meetings with participants, others took place at the participants’ place of work. Where interviews were obtained by telephone the author used IBEC’s meeting room facilities to undertake these calls in a confidential environment.

3.8 Tape Recording the Interview

The author examined the advantages and disadvantages of recording the interview as shown in Table 3.2. After discussion with a number of participants and due to the fact that some of the interviews were by telephone the author decided not to tape the interviews.

<table>
<thead>
<tr>
<th>Table 3.2: Advantages and Disadvantages of tape-recording the interview</th>
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<tbody>
<tr>
<td>Advantages:</td>
</tr>
<tr>
<td>• allows interviewer to concentrate on questioning and listening;</td>
</tr>
<tr>
<td>• allows questions formulated at an interview to be accurately recorded for use in later interviews where appropriate;</td>
</tr>
<tr>
<td>• can re-listen to the interview;</td>
</tr>
<tr>
<td>• accurate and unbiased record provided;</td>
</tr>
<tr>
<td>• allows direct quotes to be used;</td>
</tr>
<tr>
<td>• permanent record for others to use.</td>
</tr>
<tr>
<td>Disadvantages:</td>
</tr>
<tr>
<td>• may adversely affect the relationship between interviewee and interviewer (possibility of ‘focusing’ on the recorder);</td>
</tr>
<tr>
<td>• may inhibit some interviewee responses and reduce reliability;</td>
</tr>
<tr>
<td>• possibility of a technical problem;</td>
</tr>
<tr>
<td>• disruption to discussion when changing tapes;</td>
</tr>
<tr>
<td>• time required to transcript the tape.</td>
</tr>
</tbody>
</table>

Table 3.2: Advantages and Disadvantages of tape-recording the interview
(Source: Authors’ experience; Easterby-Smith et al (2002); Ghauri and Gronhaug (2002); Healey and Rawlinson (1994))
3.9 Telephone Interviews

Conducting telephone interviews allowed the author access to more participants than conducting face-to-face interviews alone. It allowed the author contact with a number of organisations throughout Ireland. The author was also aware of the issues regarding the use of telephone interviews such as the need to establish personal contact. In order to mitigate these issues the author had contacted the participants initially to go through the framework of the paper and followed up with an email on the themes of the interview. This allowed an opportunity for the participants to question the author on the research and raise any concerns they had regarding the provision of confidential information. The author was aware that they would not have the opportunity during a telephone interview to view the non-verbal behaviour of the participants and had developed a position of trust and credibility with the participants in order to overcome some of the issues related to telephone interviews.

3.10 Recording of Interviews

As the interviews were not taped the author ensured that the interview notes were typed up within a matter of hours of each of the interviews. This ensured that a full record of the interview was taken so that the data produced for analysis would be reliable.

3.11 Interview Questions

The author considered the approach to the type of questioning for a semi-structured interview. Saunders et al (2003) talk of the need to develop themes and formulate appropriate questions to explore areas of interest. Open and probing questions were used to explore and responses significant to the research topic. The first initial questions related to the company, the size, number of employees and whether it was unionised or not.
Chapter 3 – Research Methodology

The themes of the interviews explored in three separate areas. The first area related to HR strategy and the questions examined the areas of HR representation at board level, alignment of HR and business strategy, evaluation of HR strategy and objective and the main factors which impact HR, both positive factors and barriers. The second theme focused on the HR role and looked the devolution of aspects of HR to line managers, the main areas of activity in HR past and future. The third theme focused on the perception of HR, firstly looking at how the HR professional viewed their role. Moving then to examine whether there has been a change in the perception of HR from the point of view of senior management and finally examining the main difficulties for the HR professional in their role.

3.11 Participants

In choosing the organisation to interview the author was aware of the time constraints in completing the primary research. With this in mind the author undertook both face-to-face interviews and telephone interviews. The author interviewed a number of senior HR professionals in a broad range of business sectors, from retail to electronic manufacturing, to services. The size of the organisations varied from employing just under 100 employees to over 3,500 employees. The HR professionals varied in terms of experience in HR between five years experience and over 30 years experience. The author sought to gain a perspective from HR professionals on a number of themes and was very grateful to the time given up by those interviewed. A brief outline of the companies interviewed is outlined below.

- Company A is an Irish owned organisation employing 420 employees in a number of different businesses including, services, retail, consultancy, manufacturing and logistics. The organisation is unionised and has two full time and two part time people in HR. Of the four people in HR, three of those are in administration.
Company B is a US owned electronic manufacturing organisation. The organisation is non union and employees at total of 110 employees. There are four full time people and one part time person in HR in total.

Company C is a US owned medical devices organisation employing over 370 employees. The organisation is non-union and has nine people in the HR department including a HR director, two HR leaders, two HR people in client services, one person in organisational learning, recruitment, payroll, and two people in administration.

Company D is an Irish owned food and drink organisation employing over 450 employees. The organisation is unionised and has four people in HR. Two people directly in HR, one person in training, and one person in health and safety.

Company E is a US owned chemical/pharmaceutical organisation employing over 90 employees. The organisation is unionised and employs one full time and one part time person in HR.

Company F is an Irish owned retail organisation employing approximately 1,900 employees. The organisation is mainly unionised and employees 18 people in total in HR. This includes five people in HR and training in head office and 13 at store level.

Company G is a US services organisation. The organisation is non-union and globally employees 350,000 people. The organisation has a number of sites in Ireland. The ratio of HR staff to employees has reduced in the last six years from 1:60 to 1:130.

Company H is a US food/retail organisation employing over 3,500 employees. 1,100 are direct employees and the balance employed by 31 owner/managers. To date there have been two HR people and a third person has just been recruited.
3.12 Use of Secondary Data

Secondary data particularly regarding business and management research is usually in case study and survey type research (Saunders et al, 2003). Secondary data has been categorised in three different classifications of documentary, multiple source and survey data by a number of researchers (Dale et al, 1988; Hakim, 1982, 2000; Robson, 2002). Ghauri and Gronhaugh (2002) note that an advantage of using secondary data is the saving in time and money. It can also be useful to compare the primary research undertaken with the results of secondary data. One of the main disadvantages of secondary data may be that it does not match your needs. In undertaking research for this paper the author reviewed a number of surveys to gain an understanding of themes which could be used for primary research.

3.13 Conclusion

Having decided on the chosen topic for this research the author undertook an examination of research philosophy, research approaches, research strategies and data collection methods in order to decide the methods to apply. Once the author had realised that an interpretivist philosophy would be used the decision that the research would take an inductive approached through the use of qualitative cross-sectional research. The author want to obtain a qualitative picture of the views of senior HR professionals in Irish industry today and decided on the use of semi-structured interviews, this it was felt would allow the author to gaining a greater understanding and knowledge on the research topic.

The author was also aware of a number of limitations regarding the research. These limitations mainly related to the time to undertake the research and the availability of participants. This led to some of the interviews being conducted by telephone. The author was well versed on the difficulties of collection of data in terms of data quality, reliability and validity and made every effort to ensure these were mitigated. All of the interviews were conducted by the author and each interview was transcribed.
Chapter 3 – Research Methodology

within hours of completion. The findings of the primary research undertaken are outlined in chapter 4.
Chapter 4

Findings
Chapter 4 - Findings

4.1 Introduction

The primary research was undertaken using a qualitative, cross sectional research strategy through the use of semi-structured interviews. This chapter outlines the findings of this research and compares and contrasts the data provided by the participating companies. The findings of this chapter follow the themes outlined in chapter 3 and a further analysis of the finding and the literature is contained in chapter 5.

4.2 HR Representation at Senior Team Level

In all of the organisations interviewed, HR was directly represented at the senior level of the organisation and attended all senior management meetings. As company F is a family owned business the HR director is represented at the senior team where all the main business decisions are made. The HR director is not on the board of directors as only family members are allowed on the board. For most of the organizations HR representations at senior level team seemed to have evolved over the past couple of years. In company H the strategic HR role was developed approximately two years ago, it was a newly created position fully supported by the senior level team. There was a clear view of the importance of people within the organisation and full commitment and support from the senior level for HR.

4.3 HR Strategy and Business Strategy

In examining the question of whether or not the organisations had a HR strategy, companies A, B, D and F did not have a formal written strategy. Company C did have a formal written strategy which was aligned to the overall business plan. The organisation used the balance scorecard method and the HR strategy was reviewed every three months to ensure alignment with the overall business needs. The HR function also pursued its
own objectives which are currently to achieve the ‘excellence through people award’ and to become one of the best 50 companies to work for in Ireland. Company E again has formal written strategy which is based on corporate objectives, agreed annually. An examination of the business needs and corporate objectives is undertaken prior to the formulation of the HR strategy. With company G there was very much a global perspective regarding HR strategy which was clearly linked to the business strategy. The strategy was very clear and communicated to all. Within the consultancy service, the part of the business the participant worked, the objectives and goals were to support other business units so that they can add value to the overall organisation.

Company H has a formal written HR strategy which was developed by HR. It was presented as part of the overall business strategy to the European headquarters. Europe is split into three regions and the overall European strategy was then fed back to the US corporate headquarters. The HR strategy not only deals with policy within the direct organisation but also seeks to influence the strategy of franchise operators. HR is seen as much more of a consultancy role and the strategy is driven by the business needs. The strategy outlined a long-term vision of the organisation, where it needs to be in five years time. As the HR strategic role has only been in existence for the past two years, the current HR strategy is running for three years to come in line with the overall business strategy.

4.4 What drives the HR Agenda?

For those organisations which did not have a formal written HR strategy in place the question was asked as to what drives the HR agenda. In company A the HR agenda was driven by dealing with IR/HR issues on a ‘firefighting’ basis. A review was carried out on a monthly basis in which the business needs are discussed and an agenda is set out. However the organisation has 17 different locations and the HR function spends a lot of time traveling to each site dealing with general IR and HR issues. Due to the fact that the employment population is quite different to most other organisations, in that there is a
significant proportion of employees with intellectual disabilities, issues can arise which require time to deal with. This year a HR plan was devised but unfortunately at the moment due to resources the HR function finds that it spends all of its time dealing with the operational side of HR.

Company B again had no written formal strategy, HR is very much driven by the business needs of the organisation. There is an annual review of business needs and HR work with the business to ensure those needs are met, for example through recruitment and upskilling.

In company C, the HR agenda is again driven by the business needs of all the stakeholders. The HR agenda is very reactive at present dealing with day to day IR and HR issues as they arise. The aim of the HR function is to be more proactive and is slowly putting in place more formal structures within the organisation. However, they are finding that it is a slow process. Company F does not have a formal written HR strategy. HR strategy is pushed primarily by the business needs of the organisation. A very pragmatic approach is taken here. All HR and training managers have a knowledge of the business and would all have experience on the shop floor and retail business before moving to management. The focus is on ensuring those in all management positions are familiar with the retail business and are in a position to understand all of the business needs. Although there is no formal strategy, any new initiatives, such as a performance management system which the organisation is currently introducing, would have been discussed and agreed at board level and a commitment given by the senior team to implement. HR is very involved and aware of business needs and the issues necessary to implement business decisions.

4.5 Evaluation of HR Strategy

The organisations were asked whether or not they evaluated their HR strategy and where there was no formal written HR strategy; did they evaluate the HR function? Companies
C, E, G and H formally evaluated the success of their HR strategy. Company C used the balance scorecard method and a number of metrics such as employee engagement surveys, communication audits and employee turnover figures. Company E examined the key business goals and objectives, as did company G. Again with company H a number of different metrics were used to review the HR strategy. With company H, one important measure was the external perspective taking in measuring employer brand. This is a global process. Companies C, E, G and H all noted the use of measuring key performance and business indicators and the ongoing review, whether formal or informal, of their HR strategy.

Companies A, B, D and F all undertook an informal review of the HR function. Both company A and C noted that the HR function is evaluated mainly through the individual performance management system in terms of individual achievement and objectives. In company B the focus was on examining absenteeism figures and turnover. The company is very strong on communication and use what they call ‘voice box’ meetings at which employees from various sections of the organisation give regular feedback. This could be on anything from the food in the canteen to the different work practices and regular feedback from employees is assessed. In company F there is informal evaluation of the outcomes of decision made when implementing certain policies e.g. in decisions to outsource warehouse staff, reducing general operatives and cash office staff. The business decision was taken on board by HR who implemented this decision through redundancies. A review of this process would have then been undertaken. The current CEO was the first group personnel for the organisation prior to becoming CEO and has a great deal of knowledge and experience of the IR implications of such decisions.

The HR director of company F stated that within their own organisation attitude is fundamental, they recruit for attitude, train for skills and develop and promote staff internally. As a family owned business it is somewhat paternalistic and has a number of employees with long service. The organisation ensures that contact remains with those employees even after they have retired. The business strategy is one where the
relationship with employees is valued and where fair treatment of staff is fundamental to the organisation.

4.6 Factors which positively affect the success of HR

Companies A, B, D and G stressed the need for the credibility of the HR function, both in terms of the view of senior managers and employees. Companies B, E and H also noted the need for the HR function to have a knowledge of the business, to be seen and accepted as a key business partner. Company F also felt that the credibility of the HR function could be seen where the experience would allow them to ascertain whether or not certain changes would work in their organisation. Strong leadership both within HR and management in general was noted by companies A and G as being important to the success of HR. Alignment of HR strategy to overall business strategy was stressed by companies C, E and H. Company H noted that the success of HR was linked to providing people with the tools to do better business. Commitment and backing of senior management was seen by all of the companies as having a positive impact on HR. This was also closely followed by the need for open communications, clarity of where the business is going and clear expectations.

4.6 Barriers to the success of HR

Company A noted that HR can sometimes seen as the 'fluffy' side of the business and not taken seriously. It can also be a dumping ground where people do not know where to go with specific issues, a function that will 'fix all'. Company H also felt that in the past HR was not just a dumping ground for issues but also for people, the idea was 'put them in HR where they can not do any harm'. Company B noted that the barriers can often be external to the organisation; it may be the continual changing needs of customers and the need for HR to be constantly revising plans, particularly to do with recruitment and
Chapter 4 - Findings

retention. Company C noted that it can be difficult for HR to be seen as an integral part of the business, that there can be resistance to the HR function becoming more of a business partner. They also noted that in some instances line managers do not want to take ownership for the management of their staff and continually want to push this back to HR. This was also noted by Companies D and E, where difficulties can arise from middle managers not wanting to take responsibility for issues, such as recruitment and performance management. Organisational culture was noted by companies D and F as being a barrier to the success of HR. Change initiatives can be considerably slow when dealing with a culture of resistance.

Companies E and G both felt that one of the main barriers was where HR process become overly bureaucratic and where there was a lack of clarity and communication on expectations. Company F spoke of the difficulties that can arise from the prevailing economic conditions which can often restrict the organisation on funding new initiatives such as management development programmes. Company H also felt that HR itself can be the biggest barrier, in the newer more modern organisations the focus can be very much on collaboration, which is very different from the old values of traditional IR.

Today employees expect much more information and to be more involved. HR needs to have a place at the top table and therefore HR professionals need to have the competencies to be in a position to not only understand but also be able to discuss business issues with the other relevant functions of the organisation. If the HR professional does not have the competencies of being a change facilitator, have relevant business knowledge and IT capabilities, they become very insular and will not gain the credibility necessary to do their role. Unless HR can deliver to the top table and be able to express and measure their success as other functions do they will not be valued going forward.
4.7 Contribution of HR to Organisational objectives

All of the companies interviewed measured absenteeism, employee turnover. Some of the companies measured areas such as employee engagement, employee satisfaction. None of the companies formally measured or linked HR to return on investment figures or contribution of HR to organisational profits.

4.8 Devolution of HR to Line Managers

In all of the organisations there has been a change in the devolution of HR to line managers. In Company H operational HR is completely devolved to line managers with line managers taking ownership of all aspects of HR. The main areas that line managers now deal with are outlined in Table 4.1.

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<th>Table 4.1: HR areas of responsibility for line managers</th>
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<tr>
<td>- recruitment;</td>
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<td>- discipline;</td>
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<td>- annual leave and working hours.</td>
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Company H noted that in their organisation HR acts more like a consultant and does not deal with the operational side of HR. The HR Strategic Partner felt that this was a growing trend in organisations but that it can sometimes be difficult to let go of the
control and influence the HR function has over the day to day operational HR issues. Company G also noted that as a HR Consultant Manager themselves, they would deal with all aspects of managing their team with very little involvement from internal HR. Company A noted that although there has been a move in this direction within their organisation, they would like to see that increase and felt that there can sometimes be a fear factor, where line managers may feel that they are not an expert and need the back up of HR. Company B also noted that HR is seen as a supporting role to line managers, where advise and expertise was needed.

4.9 Main areas of activities for the HR function over the past three years

The main issues high on the agenda for the HR professional over the past three years for are outlined below in Figure 4.1.
Recruitment and retention was high on the agenda for companies C, D, E and G. Restructuring and redundancy was high on the agenda for companies A, E and F. For companies A and B, health and safety was also an important activity. Other main issues included performance management, management and employee development and communications.

4.10 Main HR activities in the next 12 months

The participants were also asked what they felt would be the main HR activities going forward over the next 12 months. The top two issues discussed were performance management and learning and development. Company C stressed the importance of identifying top performers in order to introduce a succession and career planning structure. Company A are hoping to focus more on training, in particular management training in communications, disciplinary issues, disability awareness and health and safety. Communications will be key for companies A, B and C. HR technology will have an impact for companies B and F with the introduction of new HR systems. Other main areas of HR activity going forward include retention, reward, business planning and health and safety.

4.11 The HR Role

When asked how the HR professionals viewed their role, the majority saw the main aspect as being one of an advisory role, closely followed by partnership and change facilitator as shown in Figure 4.2.
4.12 CEO’s and Senior Management view of HR

All of the companies interviewed felt that there had been a significant shift in the perception of HR by the CEO and senior management. This was highlighted by the fact that HR were now represented on the senior management team of all companies interviewed. Company H noted that a strategic HR role was developed in their organisation approximately two years ago through the recognition of the importance of HR in a people business and that the business can often feel more protected if they have representation by HR at senior level. Company B noted that the skills sets of the HR function as being an advisor, an expert and a consultant are more valued now than ever. Companies C, D and E spoke of importance now placed on ‘managing human assets’ and of managing the ‘future through employees’ to maintain ‘competitive advantage’. Company F stated that the family board would seen the value of HR but can sometimes
bring limitations on what HR were trying to do. Company A noted that in the most part the perception of HR was good however HR can sometimes still be seen as just an overhead and the financial benefit it brings is not always seen.

4.13 Effectiveness of HR

In discussing what the organisations felt were the main factors which impacted the effectiveness of HR, these were similar in all organisations and included the credibility of the HR person, the relationship with the CEO and the values of the organisation. The credibility of the HR person came out as the most influential factor. Company B felt that HR could not be seen as having any kind of hidden agenda, they needed to be seen to be fair, consistent and independent. Company F noted that the credibility of the HR person impacted the relationship of HR with the CEO and top team, which again was highlighted by company A. Company E again felt that the HR person needed to prove themselves before they were ever taken seriously in an organisation.

4.14 Difficulties in the Role of HR

The discussion during the interview led to the participants and their own role within HR. When asked what were the main difficulties for them in their role, there were a number of similarities in their responses. Resources played a big part of the difficulties for companies A, D, G and H. Companies A and D have a number of sites and felt that you cannot be everywhere at once but sometimes are expected to be. Company H noted that difficulties can also arise as HR becomes a more integral part of the business and much more of the traditional aspects of HR are devolved to line managers. There can be situations where line managers do not want to take responsibility and ownership for the management of their staff and HR has to be able to trust managers to do ‘what they are supposed to do’. Companies C and E also spoke of this, for company C the difficulty was
often ensuring you are getting the balance right between operational and strategic HR. The HR professional must ensure that they are up to date with the business issues but must not overlook the operational aspects of HR. Company G again on this issue spoke of the need of clarity of expectations, and the challenges of working with a very diverse workforce, the company has 40 different nationalities working on their site. Companies B and F spoke of the prevailing economic conditions and the difficulties in terms of labour costs which can impact the ability to bring in new initiatives, such as new learning and development programmes. Culture was also mentioned by companies F and D as being a difficulty as it can impact a company’s ability to change and move forward.

4.15 Satisfaction in HR Role

The interviews were closed with a discussion with the participants as to whether they were satisfied in the role as a HR professional. It was good to hear that most are very satisfied in what they do. The participants were given the opportunity if they wished to rate the satisfaction on a scale from one to five with five being extremely satisfied. Those who rated themselves placed themselves between one and three. The reasons for satisfaction were mainly, the variety of work in their roles, not knowing what they may be dealing with tomorrow. A move from dealing with traditional HR functions to dealing with business, finance and marketing. Coaching and mentoring and understanding what motivates people was also highlighted.

Issues which came up as having an impact on the satisfaction of the role were the impact of the culture on the organisation, one individual had moved to an organisation where the culture impacted greatly on changes HR were trying to bring in. There was a continual resistance to change and the individual felt this aspect of their role very frustrating. A comment made by another individual was that the organisation they worked in was very bureaucratic and that much of their time was spent dealing with administration, that their time was then limited to doing what needed to be done. This in turn often led to long working hours and very little work life balance.
Chapter 5 - Analysis

5.1 Introduction

In this chapter, the author aims to undertake a comparison of the themes which came through from the literature review with the findings of the primary research. A comparison of both the 'rhetoric' and 'reality' is outlined below.

5.2 HR Representation at the Top

Sisson (1995) argued that if HR is not represented at board level, personnel issues will just be seen as second order. Studies carried out during the 1990s show varying numbers of personnel functions represented at board level, from 53% to 69%. However, what came through from the literature was that HR representation at board level did not always mean that HR had an influence in decision-making, but rather were there to focus on the implementation of any decisions made. It was also interesting to note that it was not always necessary to have HR representation at board level if the board are attending to the strategic elements of HRM (Storey, 1992).

Findings

In the primary research undertaken all of the organisations had HR representation at the senior level of the organisation. All of the HR functions of the organisations interviewed had an input at senior level team meetings. For some organisations this was a new development which had happened over the last couple of years. This was highlighted in company H where a strategic HR role was developed approximately two years ago. This was a newly created position fully supported by the senior level team. For the participating organisations the HR function had an input into the decision-making process and were influential in the decision making process.
Chapter 5 - Analysis

5.3 HR and Business Strategy

Gunnigle (1999) noted that HRM is increasingly recognised as a key element in implementing competitive strategies in particular when focusing on issues such as increasing productivity and reducing labour costs. Academics, consultants and practitioners argue that if HRM wants to create added value, it has to become a full strategic partner with the business in the achievement of strategic goals (Buyens et al, 2002). Ireland has traditionally been more concerned with adversarial collective bargaining rather than strategic decision-making. The Cranfield Study (1992) showed over half the respondent organisations in Ireland had a personnel/HR strategy with 29% of those written. However, does this simply imply an increase in participation rather than in influence?

Storey (1992) says that the strategic importance of HRM requires the attention of chief executives and senior management teams as they strive for competitive advantage. The work of Huselid (1995) points to a positive impact that HR management can have on organisation performance. Huselid’s work provides evidence of a positive link between a particular set or what he call ‘bundles’ of HR practices and organisation performance.

Findings

Out of the eight companies interviewed the split was 50/50 in terms of having an overall formal written HR strategy. For the four companies which had a formal written strategy, one company used the balanced score-card method and in all of the companies HR strategies were linked to the overall business strategy. The HR strategies were driven very much by the business needs and corporate objectives.

For those organisations which did not have a formal written HR strategy in place, the HR agenda was driven again by the business needs. Most of these organisations were proactive and reviewed their agenda on a continual basis in order to meet business needs. For some however they still felt that although they were putting in place plans goals for HR they were reactive and dealing with day to day issues as they arose.
5.3.1 Evaluation of HR Strategy

Wiley (2001) noted that unless HR could demonstrate the impact to the bottom line it will continue to be seen as an overhead and that very few organisations measured the impact of HRM on the bottom line.

Findings

The findings of the author’s primary research showed that 50% of the companies formally evaluated their HR strategy using such methods as employee engagement surveys, communication audits and employee turnover figures. None appeared to evaluate on financial success or metrics. For companies where there was no formal review of HR strategy the HR function was mainly evaluated through the performance management structure and achievement of individual goals and objectives.

5.4 The HR Role

Renwick (2003) questioned whether or not HR continued to be a guardian of employee wellbeing. He stated that if HR managers adopt a strategic view approach in an organisation, if they ignore the role of securing employee well being, they may miss a great opportunity to define a comprehensive role for themselves within that organisation. A study by Wiley (2001) showed the roles of strategic partner, advisor, employee advocate, change facilitator and enabler as the main roles which HR professional perceived of their role. Ulrich (2006) views the HR role as having developed into a combination of a human capital developer, employee advocate, strategic partner, functional expert and HR leader.

Findings

The participants were asked how they viewed their role, the majority of participants saw their role as an advisory role, providing expert advice, this was closely followed by a change facilitator role and a monitoring and compliance role.
5.4.1 Devolution of HR to Line Managers

Wiley (2001), noted that line managers were most involved in the following traditional HR areas:
- health and safety;
- industrial relations;
- training and development;
- employee communications;
- investigation of complaints.

Findings
In all of the organisations interview there had been a significant change over the past number of years in the devolution of HR to line managers. The extent of this devolution varied from organisation to organisation. For some all aspects of HR had been devolved, for others the move in this direction was much slower. The main areas of responsibility for line managers in the organisations interviewed were:
- recruitment;
- discipline;
- grievance;
- performance management;
- setting objectives;
- reward management.

5.5 Priorities for HR

Wileys (2001) key themes for HR in 2001 to 2003 were:
- talent management;
- performance management;
- communications
- employee education and training;
Chapter 5 - Analysis

- management development;
- succession planning and development;
- workforce productivity and quality;
- retention;
- managing labour costs;

IBEC (2004) noted that the priorities of HR function over the 12 prior to the survey were:
- recruitment;
- administration and payroll;
- training and development;
- industrial relations.

Going forward they indicated that the top four priorities would be:
- training and development;
- performance management/appraisal;
- industrial relations;
- staff communications.

Findings
The author found similar themes coming through from the primary research on the top priorities over the past three years:
- recruitment and retention;
- restructuring and redundancy;
- performance management;
- communications;
- training and development;
- health and safety.

Going forward those priorities will be:
- performance management;
- learning and development;
Chapter 5 - Analysis

- communications;
- HR technology.

The findings going forward are very similar to those found by IBEC in 2004 with performance management, communications and learning and development been seen as very important for the future success of organisations.

5.6 Success Factors and Barriers for HR

Torrington (1998) argues that the crisis often spoken in HR is more to do with a lack of identity, uncertainties in confidence, identity and direction. With this in mind the author questioned the participants of this research on what they felt were the main success factors and barriers to their role in HR.

Findings
The main factors that the participants felt were necessary for the success of HR were the credibility of the HR professional, both with employees and senior management. This is very much related to the confidence and identity spoken of by Torrington (1998). Alignment of HR strategy to business strategy came out high, as did commitment by senior management.

Barriers to HR again came back to the uncertainties often faced in terms of HR being seen as a ‘dumping ground’ for both issues and people. Where expectations are not clear, or where the organisation is overly bureaucratic. The HR professionals themselves was also cited, where the lack the competencies necessary to fulfil their role. It was clear from all the participants of the need for the HR professional to have an understanding of the business needs and be able to ‘talk the talk’ at the top table.
5.7 Effectiveness of HR

Torrington (1998) notes that for HR to be effective it needs to be externally integrated with business strategy and internally integrated and developed in collaboration with general management. He also argues that informal networking, political interplay and hard work can be even more successful than formal board status.

Findings

In discussions with the participants, similar factors were mentioned by all as to what they felt were the main factors that impacted the effectiveness of HR. The credibility of the HR person came out on top followed closely by the relationship with the CEO and the values and culture of the organisation. It was felt that HR professionals need to prove themselves before they will ever to be taken seriously by top management or employees.

5.8 Difficulties in the Role of HR

Sparrow and Marchington (1998) view the 'crisis' of often spoke of regarding HRM is more of an issue of confidence and question whether this is justified or not. Torrington (1998) suggests that this crisis comes from uncertainties in confidence, direction and identity as the successes and failures of HR are often the successes and failures of others.

Findings

It was interesting to note therefore in the findings that the issue of clarity of expectations came through as a difficulty for some of the participants both in terms of clear expectations of their own role. Also the difficulties in situations where HR has been devolved to line managers, but the line managers does not want to take ownership for the management of their staff. For some there is no clear direction as to what the organisation wants and how the HR can deal with such situations. Similar to Torrington (1998) where he sees HR successes and failures as being the successes and failures of others, company
Chapter 5 - Analysis

H spoke of the difficulties in line managers taking ownership and responsibility, that HR has to be able to trust managers to do what they are supposed to do.

Resources also played a part in the difficulties of the roles within HR as again coming back to the clarity of expectations, where you are an organisation with a number of sites you can not be everywhere at once. Finding a balance found between strategic HR and operational HR.

5.9 Conclusion

Within this chapter the author analysed the findings of the primary research with the themes of the literature review. The author in the analysis highlighted a number of similarities and differences between the primary research and the literature. A detailed conclusion of this analysis is given in chapter six followed by a number of recommendations.
Chapter 6

Conclusion and Recommendations
Chapter 6 – Conclusion and Recommendations

6.1 Conclusion

The objective of this paper is to undertake an examination of the role of the HR function in Irish industry today. The author wished to gain insight into, and an understanding of the current literature and to compare this to the reality of the HR role in Irish organisations today. To do this the author undertook primary research through a cross sectional qualitative study using semi-structured interviews. The participants were chosen to ensure that the views of HR professionals came from those working in a broad range of sectors and a variety of large and small organisations.

The literature review initially focused on an examination of the contradictions and uncertainties surrounding HRM and the HR function. It then moved to look at the development of the HR function within Irish industry from the welfare role of the 1940s and 1950s to the business partner role of the 1990s. This was then followed by a review of the positive impact of linking business strategy and HRM. The final sections of the literature review focus on the HR role, its development, how it is perceived and the challenges facing the HR role. The themes developed through the course of the literature review were used to formulate questions for semi-structured interviews. These themes related to the areas of HR strategy, the HR role and the perception of the HR function. The HR strategy questions examined HR representation at board level, HR and business strategy alignment, evaluation of HR strategy and the main factors which influence HR both positively and negatively. Questions relating to the HR role focused on the devolution of certain elements of traditional HR to line managers and the main areas of activity for HR professionals today and the future. The third theme focused on the perception of HR and in particular from the point of view of the CEO and senior management team.

The findings of the research were outlined in chapter 4 and an analysis of the primary research was compared to the themes of the literature review in chapter 5. The following sections detail the conclusions of the author.
6.1.2 HR Strategy

From the research undertaken by the author there has been a significant move in relation to HR being represented at senior management level. The HR function appears not only to be represented but has influence on the overall decision-making process of the organisation. This is linked to the perception of HR by senior management where HR is now seen as a valued role. Although the work of Huselid (1995) pointed to a positive relationship between HR management and organisational performance there is still very little empirical evidence of this. This was again highlighted in the primary research with only 50% of organisations having a formal written strategy and none of the organisations who evaluated HR measured return on investment or the financial success of HR. The HR function needs to be in a position to measure its effectiveness in the same way that other business functions are expected to do so.

When the factors which influence HR either positively or negatively were examined the main issues were similar to those outlined by Torrington (1998) regarding uncertainty in identity, confidence and direction. The success of the HR function was mainly due to the credibility of the HR professional. The necessity of the HR professional to have competencies necessary to fulfil their role was seen as a major factor in the success of HR. This in some ways goes back to what Ulrich (1997) says are the old myths that keep HR from becoming a profession, i.e. 'that anyone can do HR' and 'people work in HR because they like people'.

6.1.3 The HR Role

Renwick (2003) questioned whether HR was still a guardian of employee wellbeing. Wiley (2001) saw the role of the HR function very much in line with Ulrich's (1997) strategic partner, administration expert, employee champion and change agent. By 2005 Ulrich and Brockbank had developed these roles further to that of a human capital developer, an employee advocate, a strategic partner, a functional expert and HR leader. Their view is that not all HR professionals will play each role equally and that this will be very dependent on the organisation they work in. The author's primary research showed that a majority of participants saw their role as an advisory one, providing expert advice.
Chapter 6 - Conclusion and Recommendations

to the organisation. What is clear from the literature and the author’s primary research is that a professional needs to have the competencies going forward to be all of the above and that the old myths that ‘anyone can do HR’ have turned out to be just a myth.

Another myth Ulrich (1997) notes is that ‘HR is HR’s job’. His view is that HR is as important as other business functions such as finance and that HR professionals should work with line managers in championing HR issues. Torrington (1998) says that much of the literature is written on strategic HRM and most of what is written on the operational role of HR assumes that HR should be to line managers in particular. The findings of the primary research show that for most organisations there has been a significant shift in the devolution of certain aspects of HR to line managers. The extent to which this has occurred does vary between organisations with the main areas that line managers now deal with including recruitment, industrial relations and performance management. The findings noted that difficulties in the role of HR can occur where HR is devolved within an organisation but line managers will not take ownership or responsibility for the management of their staff. HR successes and failures can often be the success and failures of others (Torrington, 1998). There needs to be clarity within an organisation as to which elements of HR have been devolved and line managers themselves need to be clear what is expected of them when it comes to managing their own staff.

6.1.4 The view of the CEO

Due to the limitations of time regarding this research the author did not have an opportunity to interview the CEO and senior level management of the participating organisation. A question was asked of the participants as to the view of the CEO of HR within their own organisation. Gunningle (1999) spoke of the increasing recognition of HR by management as a key element in implementing competitive strategies particularly when there is a focus on increasing productivity and reducing labour costs. The perception of the CEO of the HR function is important as it determines HR’s place in the organisation. In the findings of the research all of the organisations felt that there had been a significant shift in the perception of HR over the past number of years. HR was
now seen as a valued role in their organisation. Importance was placed on 'managing human assets' and managing the future through employees. HR it seems is now recognised as an important player within an organisation. The function is represented at the top table in a number of industries and the HR director or senior HR person has an input into the strategic decision making progress. The HR function is no longer seen as simply being reactive, as dealing with the soft side of the business. What is clear however, is that this change has not occurred at the same pace through Irish industry and there are still a number of uncertainties for some HR professionals in the identity and direction of HR within their organisation.

6.2 The HR Role of Tomorrow

The role of a HR professional going forward will not be an easy one. The challenge facing the HR professional will be to understand all aspects of the business. A balance must be kept, with the need to meet financial requirements on the one hand and preserving the psychological contract and being in a position to retain a highly motivated and committed workforce on the other. The HR professional will need to have a number of competencies to fulfil all the roles required by HR. The HR professional needs to be seen as credible, an advisor to the organisation, an expert in their field, a strategic partner, a leader, an employee advocate and a change facilitator. The HR professional needs to understand the business they are in, they need to be able to deal with new HR technology, performance and reward management, learning and development, and the emerging challenges of staff in terms of changing demographics and global competition. HR will need to be able to show its value to the organisations to focus on deliverables and show end results at the top table.

6.3 Further Study

The author would like in the future to undertake further research in this area. In particular to broaden the study to a larger number of participants and to take into account the views of senior management and line managers of the HR function within their organisations.
6.4 Recommendations

This section briefly outlines a number of recommendations which have emanated from the research undertaken.

- There is a need for clarity of direction from the top management of the organisation on the expected role of the HR function in an organisation. Where elements of the HR function have been devolved to line management senior management need to be seen to be supporting this change. This in itself will help to ensure that line managers take ownership and responsibility for managing their staff.

- There needs to be clarity of identity for the role of HR within an organisation. Is the role to be more strategic or operational, what is the expected role for the HR professional? To be advisor, a strategic partner, a change facilitator or a combination of roles.

- The HR function needs to be involved in the formulation of business strategy from the outset and to ensure that the HR function has an anticipative rather than reactive role.

- HR professionals themselves need to ensure that they are seen as credible within an organisation. They need to show an understanding of the business needs and be able to communicate the value of HR to the top team.

- The HR professional needs to have the competencies necessary to fulfil their role as an expert in their field, a strategic partner, a leader, an employee advocate and a change facilitator.

- HR professionals must be aware of and master both the theory and practice of HRM.

- HR professionals must be seen to be adding value to the organisation and must learn how to translate their work into financial performance.

- HR professionals must not be afraid to voice their opinion. They need to be both challenging and supportive.

- The HR function must not loose sight of the operational side of the HR function as in doing so it may loose its credibility with employees.
Bibliography
Bibliography

A

B


C


D


Bibliography


H


Bibliography

I
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J

K


L

Bibliography


M


N


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Bibliography


Bibliography


Company A

Is the human resources function directly represented on the senior level team of the organisation?
Yes directly. The HR is directly represented at senior level and is involved in management review meetings. These meetings are held on a monthly basis. A template for these meetings have been developed to ensure that all HR and Health and Safety issues are now covered along with the general business issues. The company has six General Managers who deal with 17 different businesses.

Does your organisation have a HR strategy which is aligned to the business strategy?
There is no formal written HR strategy and a lot of what drives HR is dealing with issues, mainly ‘fire fighting’. There is a review on a monthly basis, the business needs are discussed, and an agenda is set. However at the moment the HR function deals with IR issues that come up. As there are 17 different locations, this takes a significant amount of time in terms of travel distance. The employee population is quite different to most other organisations, as a significant proportion of the employees have intellectual disabilities and issues which come up can take a great deal of time to deal with. At the beginning of the year a plan was devised but unfortunately at the moment due to resources most of the HR time is spent on the operational aspects in particular IR.

Do you evaluate the success of your HR Strategy?
Evaluation of HR is not done in a formal way. HR would be seen to be the experts in what they do but the function of HR is not evaluated formally. The only time where feedback would be given to HR would be really a performance review time.

What are the main factors that positively affect the success of HR?
The main factors which impact HR positively would be the need for strong management within HR. For the HR function to have respect and credibility from those they deal with, both from management and employees. There also needs tot be backing from senior
management. If HR is not backed by senior management, the may not be seen to have credibility and it can be difficult to implement decisions.

What factors are barriers to the success of HR?
HR can sometimes be seen as the 'fluffy' side of the business. It can be used as a dumping ground for issues where people do not know where to go with specific issues. It can been seen as a function that will fix everything.

How effective has HR been in relation to each of the following?

Return on Investment in HR areas
Return on investment is not measured, although excellence through people is to measure the effectiveness of training which the HR function would be involved with and which would be seen to be very effective.

Absenteism rates
Absenteism rates are monitored at local level, these are forwarded to HR and if a trend appears then HR would get involved to support the local manager in dealing with the issues. Whether that is long-term absence and procedures to follow in establishing when someone may be returning to work or with return to work interview. The HR function would also support local management in dealing with sporadic absences.

Turnover rates
Turnover rates are measured on a yearly basis and are very low. This may be linked to the employment population which would be quite different to most other organisations.

Quality control
The company have a quality department, with each location having a quality manager, each company has obtained ISO9000 and there is a pilot scheme in operation for the new ISO dealing with Health and Safety and Environment.
Appendix I

Employee satisfaction survey
There have been two employee satisfaction surveys completed through excellence through people in the last year which have been quite good.

Grievance resolved
There is a formal complaints and grievance procedure. Most issues that arise are dealt with on an informal basis as requested by employees. There have been two formal complaints since 2001.

Do you think that line managers are now doing some of the work that HR traditionally did?
The do a certain amount, I would like to see them doing more. The line managers are there to manage people and where issues arise that they cannot deal with, HR are there to support them. There may be a fear factor in dealing with certain issues if they feel they are not an expert in the area of employment law or HR. However this can also be used as an excuse when they do not want to deal with certain issues.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?
The main areas of activity in this organisation have been relating to dealing with IR issues. In some respects it has been ‘fire fighting’ issues as they arise. Training is also vital in our organisation and again this is linked to our employment population, with Health and Safety training taking priority. In the manufacturing side the issue of redundancy has high in the last couple of years with certain aspects of manufacturing going to low cost countries.

What do you expect the top HR areas to be over the coming 12 months?
I hope that we will not see any more redundancies. An area that we are hoping to focus on is training and in particular management training. Areas which will be covered will include communications, dealing with disciplinary issues, disability awareness and health and safety awareness. Reviewing and updating all our policies and procedure and training
Appendix I

people on these policies and procedures will also be a big area for us over the next 12 months.

Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest

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<td>Measuring areas of responsibility such as performance,</td>
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There has been a lot of change in the organisation over the past couple of years and the role of HR would effectively be a combination of all of the above. Because of the employment population employee advocate would be an important area, as would advisory and partnership. I would view my role as a combination of all of the above.

In your opinion, has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?

Yes, I believe that it has, in some ways it is seen as more important and in some ways less. HR is certainly seen as a valued part of the organisation although is can sometimes been seen as just an overhead and the financial benefit it brings is not always seen. The
value of recruiting, selecting, training and other elements are not always seen by the financial people, but they can always see the costs related to HR.

**What do you think are the main factors that affect the effectiveness of the HR role?**
If HR does not have the support of the CEO then it will not work. HR also needs to be seen to be credible in order to gain that support.

**What are the main difficulties for you in your role?**
Sometimes too much is expected from the role of HR. Lack of resources can play a big part. There is a lot that HR wants to do and a lot that HR needs to do, however sometimes time and other issues and the employment population we deal with takes up a significant amount of time. Having 17 different locations can be problem, you cannot be everywhere at once and again resources would have an impact on the time it takes to visit locations where there is a problem that needs to be dealt with by HR.

**How would you rate your satisfaction in your role?**

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<th>3</th>
<th>4</th>
<th>5</th>
<th>Dissatisfied</th>
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**What are the main reasons for this?**
On the minus side the role is too large for one person. However I love being involved in such a varied role. I never know what is going to happen tomorrow, what I will have to deal with.
Company B

Is the human resources function directly represented on the senior level team of the organisation?
HR is directly represented at senior level within the organisation and would attend all senior level meetings.

Does your organisation have a HR strategy which is aligned to the business strategy?
No written formal strategy, HR is driven by the business needs and agreed goal and objectives for the business. There is an annual review of the business needs and coming from the annual business plans HR will then work to meet those business needs. That maybe through a new recruitment strategy or teamworking or training and upskilling.

Do you evaluate the success of your HR Strategy?
Not formally, the focus would be on examining absenteeism figures and turnover for example. The organisation has very much an open communication policy and formal feedback form employees comes through the use of what we call ‘voice box’ meetings. Employees from various different sections of the organisations meet and give feedback on a regular basis. This could be anything from issues over the food in the canteen to various different work practices. Regular feedback from employees is assessed in terms of employee satisfaction and the values of the organisation in terms of open communication.

What are the main factors that positively affect the success of HR?
Within our own organisation it is the fact that HR is taken seriously at the top in the organisation, that support is given to the implementation of policies and that HR do not have to fight to put their case to the top table. HR is seen to be credible and policies devised by HR are always linked to the business needs and the values of the organisation. The organisation is non-union, is very good on communications and has a good working relationship with all of the stakeholders of the business. HR work directly with line
managers to examine how new policies can be designed in order to meet both the organisations needs and the needs of employees, an example of this was the recent introduction of a job-sharing scheme.

**What factors are barriers to the success of HR?**

Barriers to HR can be production needs in the as an electronic manufacturing organisation the needs of customers can be continually changing. Cost constraints can also impact HR function, as they can often be competing with chemical/pharmaceutical organisations in terms of recruiting staff and the benchmark salaries in the electronics/manufacturing sector would be lower than those offered in the chemical/pharmaceutical sector.

**How effective has HR been in relation to each of the following?**

**Absenteeism rates**

In terms of absenteeism, the organisation is very proactive, it is monitored and the responsibility for dealing with absenteeism has been moved to the line managers. This has worked well and there is the back of HR is trends on absenteeism rates start to increase.

**Employee turnover rates**

Because of the culture within the organisation, in most cases there is a very good relationship between employees and their supervisors. The organisation is very aware that people can 'join organisations but leave supervisors'. The open communication policy within the organisation also helps to maintain a low turnover rate.

**Legal claims against the organisation**

The organisation has had no employment related claims such as Unfair Dismissal.

**Quality control**
Appendix I

As the organisation is in a highly regulated environment training is vital. All operators go through an extensive training programme to ensure the quality of the products produced.

**Employee satisfaction survey**

Informal feedback is given through the 'voice box' meetings where a number of employees from various sections of the organisation get to meet up and discuss any issues. This ensures the culture and values of the organisation are supported and maintained.

**Grievance resolved**

Very effective procedures in places for dealing with any grievances, which is normally dealt with on an informal basis.

**Do you think that line managers are now doing some of the work that HR traditionally did?**

Yes, in our organisation there has been a significant shift, line managers now deal with a range of areas which had been traditionally done by HR. From the start line managers are now involved in the recruitment and selection of people for their team. Much of the work done by the organisation is through the use of teamwork and team cells. The line managers are now responsible for absenteeism, disciplinary, working time arrangements, holidays and record keeping ensuring that the organisation is in compliance with all aspects of legislation.

Line managers would also be responsible for the performance review with the support of HR. The performance review system is discussed with the line managers to ensure that is working and ensuring any amendments necessary are made to the system. The line managers agree objectives and goals with individual employees and review performance regularly. If employees have been absent, the return to work interview is now done by the employees line managers.
Appendix I

The line managers see the role of managing employees as their responsibility and have taken ownership of the role. There has been no resistance to this change from line managers and the support of HR is available when needed.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?
Within our organisation the main areas of activity have been ensuring that our polices and procedures are effective and reviewing and updating where necessary. Team development has been an increasing area as most of our work is now done through the work of cells working with the line managers. Health and safety is another area which we have put a lot of work into particularly regarding risk assessment and ensuring everyone is trained on all aspects of health and safety regarding their role.

We have worked hard are ensuring the success of our open communication strategy, in developing the ‘voice box’ meeting where employees now feel that it is an open forum for them to discuss any issues.

What do you expect the top HR areas to be over the coming 12 months?
Internal change is going to have a big impact, ensuring where people have been promoted that will need training in the new role and time to develop within their role. HR technology will also be high on the agenda with a new HR software system from our corporate headquarters will be implemented. Two other main issues which will continue to be strong will be health and safety and communications.
### Appendix I

Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest?

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### In your opinion has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?

Yes the opinion of HR has changed in the last number of years. HR is now seen to be more proactive. The skills sets of HR have become more valued in the organisation. HR is seen as having an advisory role, an expert role, there in some ways as a consultancy role to back up the line managers in their role. HR are actively involved with line managers to ensure that they are up to date with the business needs and are seen as having a partnering role. They are seen as driving the objectives and goals of the business through people. The keep the HR agenda on the radar of the line managers ensuring that it is not pushed to one side.

### What do you think are the main factors that affect the effectiveness of the HR role?

The credibility and respect of the HR person is very important. HR has to be seen to have no hidden agenda, it has to be seen as being independent, fair and consistent. The HR
function needs also vital and the HR has to be seen not just coming up with new policy ideas but they have to show how these are linked into the business needs of the organisation. HR has to been seen to have a business head to being an independent voice and to ensuring that the values of the organisation are lived. They need to be seen as credible by both management and HR.

**What are the main difficulties for you in your role?**
The organisation deals with customised components and as with every organisation the focus of labour costs can impact the ability of the HR to develop other areas such as management development.

**How would you rate your satisfaction in your role?**
Very high, enjoys the variety of the role, wide level of diversity. I deal with not only HR issues but also finance and organisational issues such as exporting. There is an opportunity to travel and a great deal of freedom to manage own workload. As a self driven and self motivated person the role is very rewarding.

**Company C**

Is the human resources function directly represented on the senior level team of the organisation?
Yes, the HR Director is on the senior management team. The HR leader is on the middle management team. HR are involved in every aspect of the business as a business partner.

Does your organisation have a HR strategy which is aligned to the business strategy?
Yes, there is a formal written strategy which is aligned to the business plan. The organisation uses the balance scorecard method and the HR strategy is reviewed every three months to ensure it is aligned with business needs and organisation objectives. The HR function also pushes its own strategy and over the next couple of years the HR
function is pushing to achieve excellence through people and to be within the top 50 companies in Ireland to work in.

**Do you evaluate the success of your HR Strategy?**
Yes, through the balanced scorecard. We evaluate through a number of different metrics such as team and employee engagement surveys, communication surveys and employee turnover figures. Everything that can be measured is measured.

**What are the main factors that positively affect the success of HR?**
The HR strategy needs to be linked to the overall organisational strategy. There needs to be a clear business plan in place where HR is seen to be an effective. The organisation take part in the Gallop surveys dealing with employee engagement.

**What factors are barriers to the success of HR?**
It can be sometimes hard to become an integral part of the business, hard to break down barriers within organisations where there can be resistance to HR becoming a business partner. It can be seen by some as HR's job to deal with people and the difficulty can be with educating line managers to be in a position to manage their staff.

**How effective has HR been in relation to each of the following?**

**Absenteeism rates**
- very effective
- somewhat effective
- effective
- somewhat ineffective
- ineffective

**Employee turnover rates**
- very effective
- somewhat effective
- effective
- somewhat ineffective
- ineffective

**Organisational profits**
- very effective
- somewhat effective
- effective
- somewhat ineffective
- ineffective
Appendix I

Employee engagement survey
very effective  somewhat effective  effective  somewhat ineffective  ineffective

Grievance resolved
very effective  somewhat effective  effective  somewhat ineffective  ineffective

Attendance, overtime, employee engagement, communications are all measured on a monthly basis. The results are then discussed with each line manager of a strategic business unit. We also have a HR Dashboard where questions and issues are communication to HR on a daily basis; these issues are then dealt with as soon as possible.

Do you think that line managers are now doing some of the work that HR traditionally did?
Yes, in our own organisation this has been very significant. HR has become very much an advisory role. Areas such as absenteeism and performance management have become the responsibility of the business unit leaders. Unit leaders have taken ownership of the management of their teams. The deal with all HR issues for their staff and are supported by HR.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?
For us it has been our communication strategy, we are non-union and have a very strong and open communication policy which we have continuously worked on over the past couple of years. We have also put a lot of time and energy in dealing with attendance rates which are not at their lowest. Retention and succession planning are areas that we have begun to focus on recently.

What do you expect the top HR areas to be over the coming 12 months?
Succession and career planning will be one of the main areas over the next 12 months. The performance management system will be used to identify the poor performers and the top performers. We are focusing on putting in place development programmes for our top performers and to establish succession plans going forward. This we believe will also
Appendix I

help with retention of key performers. Other issues where there will need to be a continuous focus include communication strategy and dealing with worklife balance. This is something we are trying to bring into the organisation, the policy currently does not cover managerial staff and it is something we need to re-examine.

Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest?

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In your opinion, has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?

Yes, for us there is a huge focus on HR and the value of HR has certainly changed over the past couple of years. There is a consolidated approx to all of the factors which influence the organisation and a much greater focus on the human assets of the organisation.
What do you think are the main factors that affect the effectiveness of the HR role?
Culture is very important; this will have evolved somewhat from the perception of the HR function. Is HR seen to be credible? If the HR director says something do they mean it, do they own up if mistakes made. The industry we are in is a small very competitive industry and we need to differentiate ourselves. How HR is perceived by both the employee and top management is very important and I think that we have built up a very strong relationship with both.

What are the main difficulties for you in your role?
Traditionally HR was very much a 9 to 5 role where there was not a great deal of involvement with the business. This has changed dramatically and the HR is now fully integrated into the business. We have now become a valuable resource, an advisor and need to be up to date with all business issues. The integration of HR into the business has brought certain difficulties in that you have to ensure that you get the balance right. You need to make sure that all of the operational aspects of HR, though time consuming are dealt with. You sometimes find yourself moving from meeting to meeting and need to ensure that you allocate time from the operational side of HR.

How would you rate your satisfaction in your role?

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<th>Dissatisfied</th>
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One for my own role
Three for a general HR role

Having moved from a chemistry background to HR, I love developing strong relationships with people, I really enjoy the coaching and mentoring aspect of my role. I like to be in a situation to understand what motivates people and how we can provide a
Appendix I

better service to the organisation. In my role I am involved with all aspects of the business and really enjoy it.

Company D

Is the human resources function directly represented on the senior level team of the organisation?
Yes, the group HR manager attends all monthly meetings of the senior management team, which consists of eight people.

Does your organisation have a HR strategy which is aligned to the business strategy?
The organisation does not have a formal HR strategy. The organisation is a co-operative organisation and has a number of different stakeholders. The organisation is split into a number of different business units and has a number of different locations.

If no, what drives the HR agenda?
The HR agenda is driven by the business needs of the stakeholders. The HR agenda is also reactive dealing with day-to-day IR issues and other issues as they come up. The HR function would like to be more proactive and is putting in place more formal structures and in the future would like to be more proactive. However given the nature of the business we find that the move from being a HR function to a proactive function is slow.

Do you evaluate the success of your HR Strategy?
Not formally, the HR strategy is only really evaluated through the performance management system in term of achievement of goals and objectives. The focus is more on individual achievement rather than an evaluation of the HR strategy. This however is something the HR is currently working on and we are getting better.
Appendix I

What are the main factors that positively affect the success of HR?
The fact that HR is now represented at the senior management team. That HR has an input into the decision making process. HR is now more structured, we have moved to a centralised HR system over the last number of sites and are more in control of decisions made at the various locations. The uniformity of policies means that issues are dealt with from the start, they are no longer to turn into major problems. A lot of work has gone into ensuring people are treated in a fair and open manner means that the credibility of HR has increased.

What factors are barriers to the success of HR?
The culture of the organisation has a major impact on the success of HR in an organisation. There have been a number of changes in the organisation over the past number of years with a number of mergers with different organisation. Resistance to change can be a barrier. The biggest barrier can sometimes come from middle managers in terms of taking responsibility and ownership for managing their staff. In the past they would not have had responsibility in terms of recruitment or dealing with any issues. They now have to take that responsibility and their resistance can be a barrier for HR.

How effective has HR been in relation to each of the following?

Absenteeism rates
We are effective and moving towards very effective. We have started over the past three years to monitor absenteeism rates. Managers now have responsibility in dealing with absence and return to work interviews.

Employee Turnover rates
We have a very low employee turnover rate with many employees with long service. This can cause problems where you have a number of people from the same department retiring at the same time. Employee turnover rates would be slightly higher in certain production areas due to the fact that seasonal work is involved.
Appendix I

Quality control
The organisation goes through a number of quality audits such as ISO, also customer audits, HR policies and procedures audits all of which the HR function has been seen as very effective.

Grievance resolved
Grievances are usually dealt with informally with both line management and HR being involved.

Do you think that line managers are now doing some of the work that HR traditionally did?
Yes somewhat significant. Line managers are now getting involved in a number of areas which were traditionally dealt with by HR such as recruitment, developing job descriptions. Line managers are also now involved in managing absenteeism, return to work interview and performance reviews. Line managers also undertake training needs analysis, training plans for staff in the business units.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?
For our organisation we has been very focused on the culture of the organisation. We have recently gone through a merger and have worked at integrating a new site into the organisation. We have also had a major recruitment drive as we have opened up a new business unit. Over the past couple of years we have also been introducing a new performance management system into the organisation.

What do you expect the top HR areas to be over the coming 12 months?
For our organisation the development of the performance management will be one of the main projects going forward. A review of pension system will also an area we will need to focus on, as will wage costs.
Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest

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In your opinion has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?  
Yes, HR is now seen as much more important within the past couple of years. The CEO and senior management team has realised the importance of HR and management of people for the future of the organisation.

What do you think are the main factors that affect the effectiveness of the HR role?  
The credibility of the HR function is vital to the effectiveness of HR. The credibility of the HR function combined with the relationship between HR and the senior management team and CEO are the main factors, which affect the HR function within an organisation.

What are the main difficulties for you in your role?  
The main difficulties for me in my role are resources, we are a multi-site organisation and it can be difficult to be everywhere at once.
How would you rate your satisfaction in your role?
Extremely satisfied
1  2  3  4  5
Dissatisfied

What are the main reasons for this?
For me one of the main reasons for this is the culture of the organisation. I moved from an organisation with an open culture to one which has restricted what you can achieve. It is something HR is working on at the moment but it can be frustrating.

Company E

Is the human resources function directly represented on the senior level team of the organisation?
In the last couple of years, the HR function has become directly represented at top table. There has been a shift on the perception of the value of HR and it is now seen as vital to the success of the organisation.

Does your organisation have a HR strategy which is aligned to the business strategy?
There is a formal written HR strategy which is based on corporate objectives, this strategy is agreed annually. An examination of the business needs and corporate objectives is undertaken prior to the formulation of the HR strategy.

Do you evaluate the success of your HR Strategy?
The HR strategy is formally evaluated twice a year ensuring that it is in line with corporate objectives and business needs. The strategy is also informally reviewed and evaluated every eight weeks.
Appendix I

What are the main factors that positively affect the success of HR?
The two key factors which positively affect the success of HR are the acceptance of HR as a key business partners and secondly that the HR strategy is aligned to overall business objectives and overall corporate goals and objectives.

What factors are barriers to the success of HR?
That HR in the organisation can be over bureaucratic, a number of form filling exercises from corporate HR. The organisations performance management system is particularly bureaucratic and can be perceived as just a function of HR where managers do not want to get involved.

How effective do you rate the contribution of HR to organisational objectives?
Very effective effective somewhat effective somewhat ineffective ineffective

How effective has HR been in relation to each of the following?

Return on Investment in HR areas
Organisation does not quantify return on investment from HR activities. However, it examines whether HR and Corporate goals have been achieved. Cost saving initiatives and also pursued.

Absence rates
very effective effective somewhat effective somewhat ineffective ineffective
Measures and discusses absenteeism rates with each team manager and monitors areas of high absenteeism.

EE turnover rates
very effective effective somewhat effective somewhat ineffective ineffective
Turnover rate of sector is quite high and there is a constant need to recruit for skills.
Legal claims against the organisation
very effective  effective  somewhat effective  somewhat ineffective  ineffective

Quality control
very effective  effective  somewhat effective  somewhat ineffective  ineffective
Everything in the organisation revolves around quality, maintaining high quality is a core competency of the organisation from recruitment to end product.

Grievance resolved
very effective  effective  somewhat effective  somewhat ineffective  ineffective

Do you think that line managers are now doing some of the work that HR traditionally did?
Most line managers are now doing some of the work which traditionally was done by HR. HR would take the view that it is their responsibility to train managers to be self-sufficient and to be able to manage their staff on a day to day basis. Managers have taken over a number of aspects such as employee performance, monitoring and feedback. Managers are more involved in the setting of individuals objectives and ensuring those objectives are met. The also deal with issues such as absenteeism, disciplinary issues and grievances.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?
The main area of activity has been restructuring, this has been an ongoing process and there have been a number of different individual projects which HR have been involved with. Particularly examining the way in which people work and changes necessary to improve production and lower costs.

As the level of turnover in the sector is quite high, recruitment and selection have also been extremely busy and there continual pressure to ensure that the required skill are in
place to meet organisational objectives. Recruitment can take up a vast amount of time as it is primarily the responsibility of the HR function.

What do you expect the top HR areas to be over the coming 12 months?
Over the next 3 years, employee learning and development will be the top priority for the organisation. This will be closely followed by employee performance, and the management of compensation and benefit packages. An examination of the current structure will be undertaken regarding compensation and benefit and ensuring that the structure of the total reward package is linked very much to organisational objectives and goals.

Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest?

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Appendix I

In your opinion, has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?
There has been a huge shift in the perception of HR over the past number of years. HR is now viewed as having a place at the top table. The organisation values what HR brings and the knowledge that through employee the organisation can continue to maintain its competitive advantage.

What do you think are the main factors that affect the effectiveness of the HR role?
It is very dependent on the credibility of the HR person. In this organisation, the HR role would not be taken seriously if the HR person was not rated. The HR person has to prove themselves credible before being taken seriously.

What are the main difficulties for you in your role?
Where managers want to push back the responsibilities for managing their staff to HR. Where managers will not take ownership and responsibility for their direct reports and where the management of people is not seen as part of the management process.

Do you think that in some instances the push for the HR to be seen as strategic can mean that certain aspects of the operational side of HR are overlooked?
I have seen occasion where managers have wanted HR to help achieve their individual goals and objectives and where in trying to become more of a strategic and business partner the operational and day to day issues of HR have been pushed to one side. The difficulty with this is that if the operational side of HR is not dealt with then the HR person runs the risk of loosing their credibility with the organisation.
Company F

Is the human resources function directly represented on the senior level team of the organisation?

HR is represented at executive, where all the main business decisions are made. The organisation is a family owned business and only family members are on the board.

Does your organisation have a HR strategy which is aligned to the business strategy?

The organisations do not have a formal written strategy which is aligned to business needs. Strategy is pushed primarily by the business needs of the organisation. There is a very pragmatic approach taken by the organisation. All retail, HR, and training managers have a knowledge of the business and would have all been experienced in the shop floor and retail business before moving to management. One of the biggest areas for the organisation at the moment is the area of performance management where HR are trying to introduce a new initiative. Although there is no formal HR strategy, this new initiative would have been discussed and agreed at board level and commitment would have been given by top management. The organisation is a large family business and although HR may not have a formal written strategy, it is aligned to business needs and HR function is very much involved and aware of business need and the issues necessary to implement business decisions.

A comparison by the HR Director to other sectors such as banking and it was noted that such organisations may have the luxury of being immersed in HR theories and formulate strategies which may not always be implemented. In the Retail trade with economic pressures on the Industry a practitioner approach needs to be taken as organisation are currently inhibited by low profit margins and not in a situation to spend time just thinking up new strategies, which will not be implemented.
Do you evaluate the success of your HR Strategy?
Yes, informal evaluation of the outcomes of decisions made to implement certain policies and decisions. Example given was in relation to a business decision to outsource warehouse staff, reducing general labour and cash office staff. The business decision was then taken on board by HR who implemented this decision through redundancies. The CEO was the first group personnel manager for the organisation before becoming CEO and would have a great deal of knowledge and experience of IR situations. Once the implementation of the decision to outsource and reduce staff was made it was implemented and then reviewed.

In terms of overall strategy, the company view that attitude is fundamental, the recruit for attitude, train for skills and develop and promote staff internally. As a family business there is a somewhat paternalistic approach with employees in terms of employee wellbeing which can be seen in the companies approach to helping employees who have found themselves in difficulty even where those employees have retired. The company keep in contact with retirees ensuring that all is well and where necessary assistance is given. They look at the relationship in terms of a cycle, where people are taken care of in employment and retirement. They is usually a long relationship with employees have long service and fair treatment of staff is fundamental to the company.

What are the main factors that positively affect the success of HR?
When examining the main factors the interviewee highlighted the fact that corporate culture can have a positive and negative impact. One of the main issues was know what changes you would be able to implement given the culture of the organisation, knowing what will be difficult to change and implement. The experience of knowing what will would in the company and what makes sense for the company.

What factors are barriers to the success of HR?
Organisational culture can be also a barrier to the success of HR. Currently in the Retail sector the economic conditions also restrict what the company may like to do, such as spend more on the development of managers. Resistance to change can also be a barrier
as can lack of top management buy in, certain initiatives may not be successful implemented without top management commitment. There has to be a practical approach to HR in the company.

**How effective do you rate the contribution of HR to organisational objectives.**

*Very effective* effective somewhat effective somewhat ineffective ineffective

Directly related to what the business needs, both good and bad, e.g. reducing labour costs

**How effective has HR been in relation to each of the following?**

**Return on Investment in HR areas**

*very effective* effective somewhat effective somewhat ineffective ineffective

Not formally measured, however if not producing the figures they would know about it.

**Absenteeism rates**

*very effective* effective somewhat effective somewhat ineffective ineffective

Absenteeism rates are monitored closely by HR and HR drives low absenteeism.

**Employee Turnover rates**

*very effective* effective somewhat effective somewhat ineffective ineffective

HR has monitored both Absenteeism and Employee Turnover rates closely over the past 10 years and driven by HR.

**Legal claims against the organisation**

*very effective* effective somewhat effective somewhat ineffective ineffective

Particularly with Employer liability and Employee claims.

**Quality control**

*very effective* effective somewhat effective somewhat ineffective ineffective

Quality itself not measured although customer satisfaction is measured through the lever of customer complaints, as are hygiene standards.
Appendix I

Organisational profits
very effective  effective  somewhat effective  somewhat ineffective  ineffective
Not measured.

Employee satisfaction survey
very effective  effective  somewhat effective  somewhat ineffective  ineffective
Not measured.

Grievance resolved
very effective  effective  somewhat effective  somewhat ineffective  ineffective
The HR department have a direct role in how grievances and disciplinary issues are dealt
with.

Do you think that line managers are now doing some of the work that HR
traditionally did?
I think that there has been a significant change in that line managers are doing some of
the work that was traditionally done by HR. Department managers previously would have
only dealt with stock management, but now deal with issues such as rosters, holidays,
breaks and days off. They also deal with performance issues up to informal caution, with
advice from HR. They make decisions that they previously would have had to check with
HR. They also deal with issues such as attendance and timekeeping.

In your opinion, what have been the main areas of activity for HR over the last 2/3
years?
In the company the main areas of HR activity have been:
Re-engineering the business – divested from food stores in the past year and a major
initiative for the last year has been the introduction of concession stores and franchising.
A second major area for the company was the issue of outsourcing particularly the
warehouse and non core retailing operations such as cash office, admin, securing and
cleaning.
Appendix I

The introduction of a performance management initiative has also been one of the main priorities of the HR department over the past year; this initiative has not successfully received agreement at top management level.

What do you expect the top HR areas to be over the coming 12 months?
Implementation of the performance management initiative, which will be rolled out over the next 12 months. There is also the continuation of trying to reduce costs, particularly labour costs. There is also a new role for IT, with the introduction of a stock ordering system in which goods will be electronically scanned at ordering and stock inwards, which will lead to a reduction to paperwork and time. A new time and attendance system will also be linked to payroll and a finance system which will be linked to stock system.

Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with one being the highest

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Appendix I

In your opinion, has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?

The perception of HR has changed and it is now viewed as being more important to the organisation that ever. The CEO and family who own the business would see the value of HR. However, they can sometimes have limited view on what it can do. The interviewee gave an example of a new initiative regarding the further development of managers which HR were trying in bring in. Although the top board see this value, they have been slow to commit to this new initiative. The current CEO is exceptional good a project management and HR has worked very closely with the CEO on a number of initiatives.

What do you think are the main factors that affect the effectiveness of the HR role?

A very good working relationship with the CEO who had a one point been the group personnel manager. The interviewee noted that the credibility of HR is imperative and that when HR can show they can deliver results, they will be taken more seriously and will be listen to in terms of input in the overall business strategy. The interviewee stated that the company was reasonably informal and a lot can depend on the relationship between HR and the CEO.

What are the main difficulties for you in your role?

The main difficulties of the role are the prevailing economic conditions in the retail sector. The culture of the organisation can also affect the company's ability to change and the time change can take in an organisation.

How would you rate your satisfaction in your role?

Extremely satisfied                         Dissatisfied
                                    1              2              3              4              5

What are the main reasons for this?
Appendix I

Very happy and satisfied with the role, although it can have its difficulties like every job. Satisfaction comes from determining what tasks need to be accomplished and knowing how to proceed with the specific tasks. Knowing what is best for the company, what it takes to achieve change in the company.

Do you think that in some instances HR in trying to achieve a voice of the top table can sometimes mean that it ignores the operational aspect of HR?

The interviewee noted that this is very much dependent of the company, however in the company in which they worked HR would not be listened to unless it was seen to be undertaking the overall operational duties. That the value of HR would diminish if it just became a place where ideas were created and not followed through and implemented. It can be difficult to be balance the strategic and operational elements of HR and that particularly in a changing environment you need to be in a position to be able to create a vision and to lead those in the company to through this changing period. The interviewee felt that HR in their company was extremely strong on the operational side of HR and slightly less strong on HR strategy. However, every decision made by HR is linked to business needs of the company.

Company G

Is the human resources function directly represented on the senior level team of the organisation?

Yes, globally the Senior VP of HR would be on the Board of Directors and would be one on the main decision makers. The organisation specialise in consultancy and in Europe particularly HR outsourcing. Where I am based, there is approximately 350 staff which serves mainly Europe. These are all people with a HR background and would deal with commercial HR rather than internal HR. The age demographics would be average age of approximately 28, predominately-female population. The staff are highly educated normally to degree and maters level and would have at least two languages. HR is ingrained in each decision made by these consultants.
Does your organisation have a HR strategy which is aligned to the business strategy?

Again, yes on a global perspective there is a formal written HR strategy which is directly aligned to the business strategy. It is very clear and communicated to all. The business I am in is services and consultancy and really what is expected is a set up to support others so that they can add value added activities.

Do you evaluate the success of your HR Strategy?

Every function within the organisation is evaluated against key performance indicators. Targets and goals are set and review through the performance management system. Each line manager would be put under pressure to ensure that they retain high performers and manage out the lowest 5% of performers. Top talent are retain through use of bonus structures and the key performance indicators are used to measure individual performance and objectives which is linked to overall HR strategy.

What are the main factors that positively affect the success of HR?

Senior management support is vital, this has to be clear shown through communication. Communication and clarity of where the business is going and what is expected from individuals is also very important. Strong leadership from the top and strong communication from the top all the way down the line. Taking ownership of decisions and sticking to them is also something I feel is very important. You need to have clear processes in place with are not overly bureaucratic. Training and development is also important, you need to have a budge to train HR so that they will have the competencies to help other add value to the business.

What factors are barriers to the success of HR?

Where process become overly bureaucratic it can cause delays, frustration and can be unhelpful. If there is not strong leadership, if there is a lack of clarity on expectations, if expectations are not communicated to all, if communication messages get diluted along the way. These can all have a negative impact.
How effective do you rate the contribution of HR to organisational objectives.
Huge importance given to hygiene factors as well as ensuring work is challenging. HR is formally measured but it there to make life better for others in terms of their work. The consultancy services is there so that the provide a professional and expert service which allows others to carry out other roles within the organisation.

How effective has HR been in relation to each of the following?

Return on Investment in HR areas
We have reports for everything, we track, monitor, review and evaluate all activities. There a continuous assessment processing which can take up a significant amount time for line managers. There are some many reports that the reason for some of the reporting systems sometimes gets lost.

Absenteeism rates
very effective somewhat effective effective somewhat ineffective ineffective
Have recently introduced a return to work interview and we will reach out absenteeism target of under 4% this year. It would be even less than that if we took out our employees on maternity leave and long-term absence.

Turnover rates
Very highly educated and skilled employees. The norm for people here would be to have a least one degree and usually two. Most would be educated to masters level and would have at least two languages. It is an eastern European country were more and more business are setting up and people here have very marketable skills.

Quality control
Quality would be seen as important in terms of commercial service level agreements.
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Employee satisfaction survey
Global surveys done every year. Also a pulse survey completed on a monthly basis where a cross section of employees are surveyed. Just completed a local level survey and currently analysing at present. We will develop a number of actions coming from that survey.

Grievance resolved
Resolved at an informal level usually through line manager.

Do you think that line managers are now doing some of the work that HR traditionally did?
Yes, this shift has been very significant. As a line manager I would deal with all the HR aspects for my staff. From recruitment to performance management, disciplinary issues and reward. Everything has been devolved to line manager with none or very little involvement from internal HR.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?
We have grown from zero to 1,000 employees over the past two years so recruitment has been our biggest issue. We have now started to deal with retention issues and training and development. The business agenda is also one of the main areas of activity for us.
In terms of retention, our bonus and reward structures are set so that we reward results. As a line manager I get a reward budget and have to ensure that we set up a structure to ensure our high performers are rewarded compared to average performers.

What do you expect the top 3 HR areas to be over the coming 12 months?
With a highly educated and development workforce retention is going to be a big issue over the next twelve months. As we are continually growing recruitment is also an issue. Ensuring that we create a climate, atmosphere and culture with an open communication structure and trying to eliminate the grapevine will also be important for us over the next
12 months. We have a young workforce and the grapevine can sometimes work against us. We need to create open and clear communication systems.

Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest

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In your opinion, has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?

Yes, HR has been seen as a strategic function for a number of years. However due to the fact that we are a consultancy service and there has been a cost benefit analysis done globally on HR we can see that the perception of what we do can be both positive and negative from others. Particularly from those who have seen a reduction to their HR function at local level and where some of that service has been taken over by the centralised consultancy role.
What do you think are the main factors that affect the effectiveness of the HR role?
Values of the organisation are very important and that stems from the leadership of the organisation, the value given to HR by the CEO and the Finance Director.

What are the main difficulties for you in your role?
Lack of resources and time are probably the most difficult aspects of my role. Clarity of expectations can also be a barrier, deciding what you spend your time doing. Working with such a diverse workforce can be challenging as well. There are 40 different nationalities in our team. Bringing people together and trying to formulate an overall organisational culture with such a diverse workforce can be a challenge.

How would you rate your satisfaction in your role?

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What are the main reasons for this?
As a line manager, lack the role covers everything from the basic admin tasks of when some new joins to setting up their access on system. This organisation is quite bureaucratic so this is something I have sign off and cannot be delegated to my assistant. Long hours, work life balance would be two areas I would like to change. It can also frustrating having so much general admin which takes time away from what I need to do and inevitable means working longer hours.

Company H

Is the human resources function directly represented on the senior level team of the organisation?
Yes, represented directly by the HR function. There are monthly meetings which are chaired by the HR function at which all business issues are discussed.
Appendix I

Does your organisation have a HR strategy which is aligned to the business strategy?
Yes a HR strategy has been developed by HR. It is formal and written and presented as part of the overall business strategy to the European headquarters. Europe is split into three areas and the overall European strategy is then feed in the corporate strategy in the US. The HR strategy not only deals with policy within the direct organisation but also seeks to influence the strategy of the owner operators. In this respect, HR is much more of a consultancy role than in many other organisations.

The HR strategy is driven by business needs, what they are, long term where the organisation needs to be and what is the long-term vision of the organisation. The overall long-term business strategy for five years, as the strategic HR role was only developed in the last two years the HR strategy is currently for three years, so that it is in line with the timeframe of the overall business strategy.

The strategic HR roles was developed approximately two years, it was a newly created position which was supported by the senior level team. There was a clear view of the importance of people within the organisation and there is full commitment and support from the senior level for HR.

Do you evaluate the success of your HR Strategy?
Everything in the organisation is measured. The key drivers of the people business are examined and review. There is an external perspective taken on the measuring employer brand. This is a global process. Each key driver of the business is measured quarterly and this ensures that issues such as absenteeism, turnover are caught early. There is a campaign currently running at the moment examining the external perspective of the organisation through a number of focus groups.

What are the main factors that positively affect the success of HR?
Providing people with the tools to do better business. HR in general does not always see its potential and often does not examine what it can provide in the right way. They have
Appendix I

to start with the business and see what are the business needs and what can they provide to ensure those needs are met. HR needs to know the business in order to make an impact. You cannot put in places processes and structures without know why. Organisations are there to make money and HR people need to be able to look at the business to see what value they bring to that business.

What factors are barriers to the success of HR?

HR itself can be a barrier; in the more modern organisations the focus is very much on collaboration, the needs can be very different to the old values of IR. With the old values of IR there have always been issues on what and how much is communicated to employees. Today employees expect much more information and to be more involved. HR was in the past often seen as a dumping ground not only for issues, but also for people where the idea was ‘put them into HR where they can do any harm’.

HR needs to have a place at the top, they need to think strategically, they need have the competencies to be in a position to understand the other functions of the organisations. If they do not have competencies such as strategic thinking, change facilitator, IT capabilities, business knowledge they become very insular and do not gain the respect and credibility needed for their role.

HR is a complex function and has to have a knowledge of all aspects of the business. Unless they are able to deliver at the top table, unless they are valued, they will not be seen as important. HR needs to be able to express and measure, as other functions do, their success e.g. be able to show how and investment in training managers to select and manage their team will lead to a reduction in turnover and the cost benefit of a reduction in turnover for the organisation in terms of figures. Be able to tell the top table how this is going to help them do business.

How effective do you rate the contribution of HR to organisational objectives.

The organisation has a number of business plan tools which is uses to measures, such as opinion surveys to examine the clarity of understanding of the business and the direction
Appendix I

to the organisation. It examines clarity around roles and expectations to see whether employees are aware of the importance of their role within their organisation and are clear on their objectives and goals.

There is a pilot programme in place at the moment looking at linking profitability to all of the aspects of organisation including individual roles. With the tools used by the organisation it would be very clear, very quickly if there was a problem. Training is seen as critical to the business and return on investment on training is measured. Any project undertaken by any part of the business is reviewed and outcomes evaluated based on outcomes and objectives set.

Do you think that line managers are now doing some of the work that HR traditionally did?

Operational HR is completely devolved to line managers. Line managers take ownership for recruitment, pay rates, performance management, discipline and grievance. HR is seen as a consultancy service within the organisation, there to advise if necessary. Payroll is processed through payroll and line managers deal with all aspects of operational HR.

Although this is a growing trend it is sometimes hard to let go as people often want to keep control and influence over the operational side of HR. However, by releasing control of the operational side, it allows the time and resources to concentrate on the more strategic elements. The organisation is probably quite different to most in that HR does not deal with the operational side and acts more like a consultant.

In your opinion, what have been the main areas of activity for HR over the last 2/3 years?

For ourselves it has been employer brand. Employer brand for us is critical and a lot of time and resources are spent to ensure that the perception of employer brand remains very high. Business planning is also critical and as the operational elements of HR are dealt with by the line managers, the HR function is more involved in the overall business plan,
including areas such as marketing. Compliance is another area which are the end of the day responsibility would lie with HR.

**What do you expect the top 3 HR areas to be over the coming 12 months?**

Going forward I expect these to remain the same with employer brand and business planning being the top two.

**Which of these roles do you see as most relevant to your current role? Please indicate top two areas, with 1 being the highest**

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The perception from others in the organisation would probably be advisory role first and partnership role second. I would view the partnership role first and advisory second.

**In your opinion, has the external perception of HR changed in terms important i.e. from the perspective of the CEO and senior management team?**

The change in our own organisation has been very obvious over the past couple of years. Approximately two years ago a strategic HR role was developed within the organisation.
Appendix I

The value of HR was recognised, the importance of HR for a people business was recognised. The business feels more protected as a people business with a strategic HR function, that there would be more risks for the organisation if they did not have HR representation at senior level. The organisation believes in ‘living the promise’ as a people business.

What do you think are the main factors that affect the effectiveness of the HR role?
The relationship that the HR person has with the CEO and Finance Director is vital to the success of the HR function. The understanding they have of the business allow the HR function to prove its worth and be seen as credible.

What are the main difficulties for you in your role?
Not enough resources would be the main difficulty. Working within a devolved model of HR can also bring difficulties. You may train and develop line manager to take over the responsibility of the operational side of HR. However if they do not take ownership and actually do what they are supposed to do, then it is likely to come back to the HR function through a number of different issues. You have to trust people to do what they should do.

How would you rate your satisfaction in your role?

<table>
<thead>
<tr>
<th>Extremely satisfied</th>
<th>Dissatisfied</th>
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<td>1 2 3 4 5</td>
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What are the main reasons for this?
The variety and freedom the role brings. Having worked in a very traditional role for a number of years prior to working in this role the variety and the ability to get involved with other areas, such as public relations and marketing are very enjoyable.
Do you think that in the chase to become strategic, certain aspect of operational HR can be ignored, or pushed to one side?

Yes, in my experience I have seen this happen. There is a growing trend to devolve HR to the line manager, but this must be done with caution. If strategic and operational HR are split, it must be done in such a way as to ensure that the HR function is still seen as credible. If process begin to break down people will lose faith in HR. If you do it, make sure it is done well, never forget the process of operational HR. If they basics fall down HR will not survive strategic or not!