Can Human Resource Management be a Source of Sustainable Competitive Advantage for an Organisation during a Recessionary Period?

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ABSTRACT

This research paper explores the impact that HRM, as a source of competitive advantage (CA), can have on an organisation. Moreover, this research endeavours to determine if organisations can utilise their Human Resource (HR) functions as sources of sustainable competitive advantage (SCA) in this current economic climate. The potential significance of this for organisations, if they were to create or use their HR Department and turn it into a source of CA, is that their competitors and rivals would be unable to replicate what they had achieved. Each person in any organisation is the human factor. Their past experiences, their skills and knowledge make them unique. This research was developed on this thinking and progressed into employing the HR function as a source of CA given that, in a recessionary period, a company needs all the advantages it can have, particularly internal ones, so as to have an edge over competitors in their industry.
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Thank you all.

Dedicated in memory of my late father

Jim Tyndall

(2005)
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Glossary

CA – Competitive Advantage
CIPD – Chartered Institute of Development
CSR – Corporate Social Responsibility
DEPT – Department
HRs – Human Resources
HRM – Human Resource Management
HTML – HyperText Markup Language
IP - Internet Protocol
MD – Managing Director
MNC – Multinational Company
PM – Personnel Management
RBV – Resource Based View
SCA – Sustained Competitive Advantage
SHRM – Strategic Human Resource Management
SWOT – Strengths, Weakness, Opportunities & Threats
UK – United Kingdom
USA – United States of America
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Introduction

Chapter
INTRODUCTION CHAPTER

1.1 Background

"The human resource function has consistently faced a battle in justifying its position in organisations (Drucker, 1954, Stewart, 1996) In times of plenty firms easily justify expenditures on training, staffing, reward and employee involvement systems but when faced with financial difficulties, such HR systems fall prey to the earliest cutbacks" (Wright, Dunford & Snell, 2001)

This issue that Human Resources (HR) is one of the first functions in an organisation to be hit when economic troubles are faced by the company is what began this researcher to explore this area. This study explores the impact that Human Resource Management (HRM), as a source of competitive advantage, can have on an organisation. Moreover, this research endeavours to determine if organisations can utilise their HR functions as source of sustainable competitive advantage in the economic downturn. The author of this study wants to examine if this is so, does this go any way towards cementing HRM's position and contribution to the bottom line of the business?

1.2 Title

Can Human Resource Management be seen as a source of sustainable competitive advantage for an organisation during a recessionary period?
1.3 Research Statement

An investigative exploration to evaluate if HRM can be utilised as a source of Sustainable Competitive Advantage given the need for such advantages in the current economic climate.

1.4 Aim Of Research

The purpose of this research is to evaluate the current academic literature and theory pertaining to HR’s role as a source of sustainable competitive advantage for an organisation by comparing and contrasting the perceptions of HR professionals and employees. This research is derived from the literature in this area beginning with Barney (1995) when his research denoted that the human element of an organisation had the potential to be a source of CA among other things.

1.5 Potential Significance

The potential significance of this research will go towards the expanding knowledge of how HRM can contribute to an organisation. HR can be, for some companies who haven’t fully explored its potential, a sustainable competitive advantage (SCA) that competitors cannot imitate, replicate or emulate exactly due to the fact that the workforce in a company is unique to that company. Their experiences, talents, skills and the industry knowledge one employee has will never equal precisely that of another. The significance of this study will highlight that, in recessionary times, all functions in a business have to prove their positive impact on the overall business. If HR can prove to be a source of SCA to organisations this can then
contribute to the struggle HRM has faced over the last two decades of quantifiably proving its contribution to the bottom line of the business

16 Research Questions

1) Does HRM's involvement in an organisation give the company an untapped source of competitive advantage which can be utilised over, and against, their competitors in industry which seems so essential given the economic climate that firms find themselves in today?

2) How does HR's involvement in an organisation benefit an organisation in ways that contribute towards sustainable competitive advantage?

3) Is there a correlation between the level that HR can influence top decisions in an organisation? If so do they then have the ability to be a source of competitive advantage to firms?

17 Research Objectives

❖ To identify what is classed as HR's value to an organisation
❖ To describe the effect of HR's involvement, at a strategic level, in an organisation that can add value in terms of achieving a competitive advantage
❖ To determine the factors that contribute to the perceived value of HRM as a potential source of sustainable competitive advantage
❖ To identify if Human Resources can be utilised, as a source of competitive advantage, during a recessionary period?
The purpose of this research study is to investigate HRM as a source of sustainable competitive advantage for an organisation in a recessionary period.

The process of this research study will be a triangulated approach combining qualitative and quantitative approaches in the research methodology. The data collection will take the form of online questionnaires and semi-structured interviews.

The logic of this study is to contribute to the knowledge surrounding HRM as well as investigate if the HR function could act as a basis of CA during a recession.

The outcome of this research, which is through data collection, is to ascertain if HR professionals and employees believe that their respective HR Departments can potentially, or do currently, contribute to the overall success of the business. An additional outcome is to investigate if this contributed success is directly linked to HR acting as a source of SCA for the organisation. It is envisaged that the contributions from both HR Professionals and employees will provide the researcher with the relevant information to further the investigation of this study.
### 1.12 Limitations

The limitations of this research are that the question under investigation, and the aim of this study, is to explore the phenomenon that is HR acting as a potential source of SCA for their organisation. This research is not analysing HR’s contributions in terms of policies and practices that a company employs, it is investigating the relationship between HR and its ability to be seen as a source of SCA. Another limitation is that this study isn’t concentrated on the logistics of how or when HR achieves SCA as a title. Neither is this research concerned with the drawbacks that having a HR Department causes for an organisation. This study employs a small sample size, given the research constraints, thus the conclusions drawn on shouldn’t be over generalised.

### 1.13 Delimitations

This research aims to evaluate if HRM can be utilised as a source of competitive advantage for firms given the current economic constraints. It would have been prudent to extend the target group to include all stakeholders in an organisation to get differing perspectives and insights into how they believe or perceive HRM may act as a competitive advantage. However, for this research, given the tight time constraints, it wasn’t possible to include these into the scope of analysis. The researcher felt that an in-depth analysis of what HR professionals and employees believed was more beneficial, than a shallow examination of all the stakeholders, pertaining to a business, in little or no depth. Hence the researcher chose to focus in on HR professionals and employees because, by conducting the research in this manner, it is hoped to achieve the broadest possible range of input so as to efficiently evaluate the research aim.
1.14 Structure Of Dissertation

The structure of this dissertation will take the following format,

Chapter one (1) introduces the aim and purpose of the research as well as the phenomenon that is HRM as a source of competitive advantage. A summary of the potential significance of this research, and an outline of the outcome of this research, is also discussed.

Chapter two (2) portrays to the reader the context in which the phenomenon and the population exist. Through the literature, the contextual setting and current thinking is portrayed to the reader. The literature review, for the purpose of this research, includes the progression of PM to SHRM, turning CA into SCA, the impact this recession is having on HRM and the current crisis facing HRM.

Chapter three (3) this chapter details the research methodology used for this research study. This chapter explains the concept of research, the different types of research approaches available to the author and it outlines the reasons why the researcher decided on the strategy used.

Chapter four (4) the findings of the data collected are analysed in this chapter. In this section the responses from the questionnaires and the interviews are displayed in the forms of graphs, tables and figures.

Chapter five (5) the discussion of the findings outlined in the previous chapter are expanded upon in this section. The author explores the responses and highlights significant responses that give light to the initial research questions and aims.

Chapter six (6) this is the concluding chapter that sums up the findings of the research. It also reflects upon the implications of this research and identifies any potential problems that may
be associated with future research on this phenomenon. This section also investigates the validity and reliability of the research.
Literature Review
2.1 Introduction

Human resources have been under constant pressure for the past decades to prove their impact upon an organisation's bottom line. HR being seen as a source of sustainable competitive advantage for a company would go towards quantifiably portraying the success they bring to the business. This chapter goes on to explore this and it looks at the development of HR from personnel management (PM) to HR as a strategic partner. This chapter also looks at the impact that the current economic climate has had on HR as a function.

2.2 Origins Of Human Resource Management

Personnel Management (PM) is the foundation stone of what is now seen today as Human Resource Management (HRM). The original goals and objectives of (PM) have long since evolved “from the goals of eliminating waste, inefficiency and human suffering to human resource management, focusing on the organisational perspectives and performance enhancement” (Hoobler & Brown Johnson, 2004 665). For the most part, activities of personnel management were seen as being mainly administrative in nature taking the form of “responsibilities such as recruiting and selecting personnel or resolving employee grievances” (Kazmi & Ahmad, 2001 133).
2.2.1 Personnel Management

Personnel Management originated at the turn of the Nineteenth Century, at the dawn of the first Industrial Revolution, and saw an abundance of factories and manufacturing plants across much of the UK significantly multiply. It was the conditions that employees were subject to that was the reasoning behind the introduction of Personnel Management. It came about due to the unrestrained capitalism of the owners and investors of these factories and manufacturing plants. In the UK these owners were subject to some minimum levels of legalisation in the form of the ‘Factory Acts of the 1840s’. These Acts called for some consideration towards the safety and welfare of the employees that worked in these industries. “Enlightened capitalists such as Rowntree and Cadbury, who were often motivated by religious convictions, appointed ‘welfare officers’ to monitor and improve the conditions and lives of workers. Their actions would often seem intrusive and paternalistic today – for example, they discouraged drinking out of work hours as well as during” (Henderson, 2011). According to this writer the concept of providing care, and giving due care and attention to the welfare of employees in this instance, was the beginnings of Personnel Management and the foundation stone towards HRM as we see it today.

2.2.2 Human Resource Management

From (PM) came the concept of (HRM). Its origins stem from the USA in the early 1960’s to the 1970’s and from then it has continually been adopted by many organisations in many different countries across the world (Brewster, 1994). Exactly what the meaning (HRM) constitutes differs due to all the literature on this topic - “different authorities imply or state different definitions and draw on varying evidence to form them” (Kazmi & Ahmad,
Driven by substantial changes, in both the internal organisational and external environmental forces, HRM has developed from the time of PM and is seen mainly as a maintenance function and for being "dismissed as a pure cost of doing business, to what many scholars and practitioners regard as a source of sustained competitive advantage for organisations" (Ferris, Hochwarter, Buckley, Harrell-Cook & Frink, 1999 as cited in Hoobler and Brown Johnson, 2004 665) The evidence indicates that HRM as a function, that once was merely a record-keeping maintenance function in many organisations, has progressed to becoming a strategic partner in the organisation sharing board room level status with all the other functions in the organisation such as accounting, marketing or finance (Dulebohn, Ferris & Stodd, 1995 cited in Ferris et al 1999 666) Notwithstanding the fact that alternative views and perspectives exist that argue HRM, in either form or function, only serves to limit the organisation's abilities as is the fact in the case of (Steward, 1996) Steward's argument can be countered with the evidence provided by (Huselid, 1995) or indeed even the combined works of (Huselid, Jackson and Schuchler, 1997) It is the contention of these writers to show that their evidence highlights that a positive link between HRM and company performance exists.

The term Human Resource Management was being used in North America by writers and researchers, for example Peter Durker and others in the early 1950's, as simply different wording for the Personnel management function. However, that all changed around the turn of the 1980's when "HRM had come to mean a 'radically different philosophy and approach to the management of people at work" (Storey, 1989 4) There was a particular emphasis on "performance, workers' commitment and rewards based on individual or team contribution,
differing significantly in all of these from the corresponding aspects of traditional personnel management" (Henderson, 2008 11)

2.2.3 Strategic Human Resource Management

Strategic Human Resource Management (SHRM) originated soon after the concept of HRM emerged in the USA. SHRM has emerged as a significant issue in tandem with the fact that there is increasing attention being given by many organisations to the strategy that is being used and to the effect it is having for them. Kazmi & Ahmad’s research findings confirm the above statement by, asserting that companies are currently “faced with an accelerating turbulence in its environment the response of the corporation has been to attempt to build up a sound internal configuration that includes human resource management (HRM) systems” (Kazmi & Ahmad, 2001 133) SHRM is not a completely alternate function to HRM. It is more a development or extension of it that has become more prevalent over the past two or three decades due to the fact that strategy has become more prevalent. Indeed, over the last twenty or thirty years, due to the fact that strategy has become so important to many organisations, HRM has had to embrace itself in strategic elements as a direct result of this. In their article ‘Approaches To Strategic Human Resource Management’ in 2001, Kazim & Ahmad argue that the key to unleashing and providing an effective response to the turbulent environment is to have a HRM system that is directly linked to, and attuned to, the Strategic requirements of the organisation (Kazmi & Ahmad, 2001 133)
2.3 Can HRM Add Value To An Organisation?

"Critical to a Corporation’s growth and prosperity is gaining and retaining competitive advantage. Although corporations may pursue many paths to this end, one that is frequently not recognised is capitalizing on superior human resource management. Currently many companies recognise the growing importance of their human resources but few are capitalizing on them in strategic terms – in many ways to gain competitive advantage."

(Schuler & MacMillian, 1984 241) The purpose of this article is to expand on the previous work of MacMillian the year before in which his article presented the concept of strategic initiative. He defines it as “the ability of a company or a strategic business unit to capture control of strategic behaviour in the industries in which it competes” (MacMillian, 1983 43). The initiative of a company, who proactively gains competitive advantage, forces its competitors to respond with a reactive role in order to remain competitive or face being left behind. The company occupying the proactive position has the greater power. Consequently it is from this idea that MacMillian and Schuler drew their hypothesis that “if it can gain strategic advantage, a company can control its own destiny and to that extent it can gain an advantage that’s difficult for competitors to remove and stay in control longer. Thus the financial benefits of gaining competitive advantage are enormous” (Schuler & MacMillian, 1984 241).

2.4 Creating Strategic HR Impact

There has always been an issue relating to the relevance or importance of HRM, particularly when during an economic downturn, that it can be seen as a more expendable function in some organisations. Some top executives or management levels can’t see beyond the bottom.
line figures and end of year accounts HRM can be seen to drain financial resources in relation to training and employee development, with sometimes expensive courses, and it is also common that the results of such actions are not immediately apparent. HRM's investing in the future development of employees, to the benefit of the company, has often been overlooked in the past and ultimately resulted in HR having a less favourable impact towards the company's success than some of the other functions. According to the research of Jane Chesters, who wrote an intriguing article on HR's impact for CIPD's People Management Journal, her thinking denotes that "to win credibility throughout the business, HR needs to be effective in implementing strategy, but often finds this difficult" (Chesters, 2011: 32). It is therefore important that, when considering HRM as a source of SCA for a firm given the current economic climate, the researcher looks at how HRM is seen as a function within company and the impact it can have.

The research study that Jane Chesters conducted pertains to work carried out in twenty organisations and identifies behaviour that lead to how HR can implement strategy with a clear and consistent purpose. A promising, and somewhat encouraging picture, developed from the results that were analysed from the study that showed that "HR is playing a strategic role in formulating business strategy and a people strategy that supports it" (Chesters, 2011: 32). The writer remarks that "it is self-evident that any coherent people strategy needs to be aligned to the business strategy" (Chesters, 2011: 32) and from the analysis of the data collected it is apparent that while this may be the case that "there was still work to be done to ensure the HR's voice in shaping the overarching strategy was a strong and powerful one. It's here that the role of the HR leader is pivotal" (Chesters, 2011: 32).
The question now is whether HR has a seat at the business table and, if so, does it deserve one? There is strong evidence to support this in this journal article which indicates that the “sought after ‘seat at the table’ is now a reality in many organisations with a significant number of practitioners in this research having executive representation of the HR function on the board” (Chesters, 2011:32). However, the author makes a clarification that a seat at the table is one thing, that it “doesn’t necessarily mean a place in the conversation” (Chesters, 2011:32).

2.5 HRM’s Impact On Business Today

Literature has, for many years now, acknowledged that HRM has an impact on the overall business. While debate still exists between some theorists as to what varying extents HR impacts a company others still argue that HR still has no relevance. However, the amount of debate is less so now than it was a decade ago. Theories like Barneys 1995 and the RBV (Resource Based View) are still strong today. Wright, McMahan and McWilliams 1994 had a research paper that investigated the findings that RBV of the firm could attribute to representing the firm’s Human Resources as an important potential source of sustained competitive advantage (Wright et al, 1994). Many writers and theorists have investigated the idea that HRM has a benefit, including Storey, Ulrich and Schuler. Many people believe the reason HRM has failed to irrevocably justify their position at the top level of the business is that until the last decade they have been unable to argue that they have a strategic level – that is generally accepted as a fundamental requirement of all functions in business in today’s dynamic environment.
More current thinking on HR’s role in achieving a competitive advantage for a company can be seen in the debate posed by Kazlauskite and Buciuiene who have conducted research in Eastern Europe in 2008. It’s their contention that strategists look for competitive advantage in both the external and internal markets. They draw on Barney’s RBV model and further indicate in their paper that “features of human resources, which make them of strategic value for an organisation. Human resources qualify for a source of competitive advantage, for they possess specific features which make them valuable, rare, imitable, dynamic etc.”

(Kazlauskite & Buciuiene 2008 78)

### 2.6 HRM as A Source Of Sustained Competitive Advantage

An article from the Journal of Business and Management titled ‘Types of competitive advantage and analysis’ by Wen-Cheng Wang, Chien-Hung Lin and Ying-Chien Chu highlight the sources of competitive advantage covering a wide range of areas. This article states that an organisation can, if willing to, exploit competitive advantage to their benefit. This research, which was conducted in May of 2011, is very current and accurate in so much that the writers have an awareness of the economic climate that exits and with this in mind find that their research still had validity. These researchers identify that the “internal sources of competitive advantage of a firm have been considered as crucial factors for success” (Wang, Lin & Chu, 2011 100). They identified three sources: firstly - technology and innovation as a source for competitive advantage, secondly - the overall organisational structure as another avenue source for competitive advantage and lastly - HRM as a source for competitive advantage. Their research aim is to highlight that the underpinning of these internal sources of competitive advantage can be extremely advantageous for the respective
The aim of “competitive advantage recognition is to connect with resources, capabilities and core competencies of the organisation” (Wang, Lin & Chu, 2011 100)

Wang, Lin and Chu define Human Resources as the “term to describe the individuals who comprise the workforce of an organisation” (Wang, Lin & Chu, 2011 101) The research goes on further to note that firms can develop this competitive advantage only by creating it in a way that is either impossible or at least extremely difficult for the organisation’s competitors to imitate. Wang, Lin and Chu remarked that the “traditional sources of competitive advantage such as financial and natural resources, technology and economies of scale can be used to create value. However, the resource-based argument is that these sources are increasingly accessible and easy to imitate” (Wang, Lin & Chu, 2011 101) It is this easy ability to imitate these once valuable and highly advantageous methods of creating competitive advantage that demotes them somewhat as a source of SCA for any firm. This is due to the sheer fact that they are commonly known and that they now retain less advantages for firms because they are also being utilised by competitors operating within the same industry.

It is this ease of imitation that is what sets human resources, as a source of competitive advantage, apart from other sources. The human capital pool, or the human resources within one company or even one department, will never be exactly the same as another due to the fact that every employee has different skills, knowledge and experience that cannot be copied. So as a source of competitive advantage that a company can utilise it is going to put the organisation in a better stead, in terms that it is going to be more difficult to replicate these
skills and the knowledge that employees have. The researchers of this article concludes that if this is the case, that human resources can be utilised as a source of sustainable competitive advantage, then it is important that “human resource policies and practices may be an especially important source of sustained competitive advantage” (Wang, Lin & Chu, 2011 101). This links completely with the writings and thinking’s of Jackson and Suchler, 1995 as noted in the research article of Wang, Lin and Chu, the book titled ‘Strategic Human Resource Management’ by S Jackson and R Suchler. It is their equal contention that the internal resources of the human capital can be utilised to the extreme advantage of the company, in so much that it is nearly an impossible function to directly copy since what it contains differs from company to company and thus makes it unique.

The conclusion of the Wang, Lin and Chu’s article on types of competitive advantage confirm the researcher’s idea that the HRM function in an organisation can be utilised as a source of SCA due to the fact that it is very difficult for competitors to imitate or replicate this function sufficiently. The writers note “keeping the advantage requires that the sources are broadened and their sources enhanced, lifting them in the hierarchical scale to more sustainable types” (Wang, Lin & Chu, 2011 103). There is also an important notation made in the final conclusion of the article. The authors mention that the generic sources of competitive advantage are not “necessary to be independent, instead, can work together to create the most competitive advantages for a firm” (Wang, Lin & Chu, 2011 103).
2.7 HRM and the great recession

“Ireland is currently in the grip of the most serious economic recession in its modern history which is having profound effects on the labour market and on the management of human resources” (Roche, Teague, Coughlan & Fahy, 2011)

2.7.1 Ireland’s Recessionary History

The development of the Irish economy in the eighties and into the early noughties was phenomenal even in comparison with our European counterparts. The construction sector was predominantly accountable for over 80% of the jobs created, it is the opinion of (Roche et al, 2011) that this “should have caused alarm bells to ring”. However, Ireland and many other countries across the globe soon felt the effects of the downturn in the global financial markets. Many have paid a high price for so much employment being confined to one sector - construction. The availability of easy access to money encouraged a boom in the construction industry and property sector saw a significant rise in prices, which in turn fuelled domestic spending more widely (Honahan, 2006). In a very short time the full scale of the financial crisis, that has tentatively been dubbed the “Great Recession”, has become all too apparent to many people. Ireland was seen to be in the “eye of this financial storm as its banks had become over-exposed to bad debt due to profligate leading to property developers” (Whelan, 2010). The domino effect of events that rippled across the country impacted in some way on everyone. Consumer demand plummeted, discretionary spending dropped almost instantaneously, banks were over stretched with bad debt loans and no confidence in the market effected businesses cash flow. In less than 12 months unemployment levels had
increased by 12.5% and the generation of new jobs had completely ground to a halt (Roche et al, 2011)

2.7.2 Recessionary Impact On HRM?

The effect that recessions can have on HRM has been a topic of debate and contention based on the arguments put forth by the literature. Roche et al, 2011, note that of particular interest in this subject area is the question of whether deep and prolonged recessions disrupt or displace prevailing models of human resource management. It is their contention that this question is paramount to understanding what impact, if any, recessions can have on HRM. The literature causes the researcher to examine if a recession can cause a profound or lasting dysfunction in the way that firms or HR professionals manage their models and policies.

From the research it can be seen that in general, “companies respond to the crisis by making their own selection from a range of possible policies combining ‘hard’ and ‘soft’ HR policies and adopting a ‘path dependent’ HR programme” (Dobbins, 2011)

2.7.3 The Great Recession

The events of the ‘Great Recession’, as outlined above, impacted everyone including HR Departments and Professionals. In the space of 12 months, HR’s main preoccupation of recruitment, selection, retention, workforce/succession planning and attracting people for available positions was their main concern. The impact that HR felt, as a function of an organisation, was major due to the fact that the environment in which they operated in had changed from a time of economic growth, expansion and prosperity to an economic downturn.
Large numbers of organisations stopped hiring people while others, facing harsher economic times, began the process of shedding labour and making jobs redundant (Roche et al, 2011). No expansion meant that the construction section in particular was almost completely decimated. The task now facing HR managers is forming and implementing new policies and practices that will facilitate their organisations in adjusting to the new market conditions. HR planning is now going to be based more on a short term basis given the economic environment.

2.7.4 The Effect Of The Current Recession On HRM

There is a lot of available material on the way that recessionary times affect HR professionals and it has subsequently, in times such as these, caused much debate among shareholders of a business. Differencing views and opinions on what effects it’s having on the organisation, and the discussions over which effect has the most priority, has led to “a great deal of comment, debate and advise among HR practitioners, professional bodies, consultants and pundits as to the effect on human resource management” (Roche et al, 2011). The professional body for HR professionals, the Chartered Institute of Development ‘CIPD’, has advised its members to focus on engaging employees and support them through the turbulent times. They also advised members to develop a strategy for redundancy, finding ways to minimize the impact that redundancies can have if staffing reductions are unavoidable. HR practitioners are told to focus on consulting with the workforce and their representatives to establish fair and objective selection criteria for redundancy and thus keeping the lines of communication open, also to provide advice and support for people losing their jobs and plan for the future by reallocating jobs and responsibilities and provide training for new jobs (CIPD 2008).
2.7.5 The Conduct Of Human Resources In The Recession

"Communicating the demands of the business to staff has become a more important part of the HR role and the majority of survey respondents agreed that the business role of HR has been strengthened" (Roche et al 2011a). According to this research it does reinforce the theory that HR can have a positive impact upon the business if they are utilised to the fullest potential. The evidence from the research shows that around a third of firms that were surveyed agreed that HR has been the biggest influence on them regarding the choice of measures that would be adopted by the business in response to the recession and the impact that it was having on them as an organisation (Roche et al 2011a). As a result of this extensive research an interesting conclusion is revealed that “this study reveals that HR have gained new influence as ‘business partners’, mainly on foot of a ‘hard’ HR agenda dictated by primarily short-term responses to acute commercial challenges. The basis of HR’s new-found centrality to business is manifestly the increased dependency of firms on HR expertise and knowledge in successfully introducing controls or reductions in areas like pay and headcount and related changes in working-time regimes and work practices” (Roche et al 2011).

2.7.6 HRM Practices In A Recession

Given the situation many firms found themselves in as a result of the global economic crisis many changes had to be brought about. The business environment was radically altered and HR had to re-design a majority of their policies and practices – simply because they were no longer valid. HR had to ensure that their strategy was aligned with the business strategy in order to remain effective. Failure to adjust is likely to lead to an increase in business closures.
(Roche et al, 2011) Set out below is a condensed box that outlines the main HR practices that have been identified as a result of the research analysis carried out by Roche et al, 2011.

Table 2.7.6 HRM Practices in a Recession

<table>
<thead>
<tr>
<th>Wage Adjustment</th>
<th>Freeze or reduction in wages, changes in wage structures, lower start rates for new employees, limiting overtime bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Adjustment</td>
<td>Redundancies (voluntary/compulsory), voluntary retirements, increased use of temporary/part-time employees</td>
</tr>
<tr>
<td>Reorganization of Working Time</td>
<td>Shorter or more flexible working time, limiting or cancelling of overtime, new forms of work organization</td>
</tr>
<tr>
<td>Workforce Stabilisation</td>
<td>Redeploying employees, greater use of employee training, introduction of temporary lay-off schemes, relocation of employees, use of sabbaticals or unpaid leave, in-sourcing of previously outsourced activity</td>
</tr>
<tr>
<td>Employability</td>
<td>Assisting employees made redundant to obtain retraining</td>
</tr>
<tr>
<td>Voice and Engagement</td>
<td>Using existing communication challenges more intensely, establishing new forms of employee involvement on organizational restructuring, new collective bargaining deals (e.g., no strike clause in return for job security for a particular period)</td>
</tr>
<tr>
<td>Process or Product Innovation</td>
<td>Measures aimed at changing work practices/systems to promote innovative activity, reconfiguring the HR function to support the business</td>
</tr>
</tbody>
</table>

(Source from Roche et al, 2011 41)
2.8 Turning Competitive Advantage To Sustainable Competitive Advantage

Organisations aspire to, and go to great lengths to, achieve a competitive advantage that their rivals haven’t yet obtained. However, few organisations know how to maintain it in the long term. An organisation’s environment isn’t static, it’s dynamic and constantly evolving. Organisations who can achieve CA or edge over their competitors will now have a permanent advantage. Other firms will have to imitate and replicate on the specific advantage to also gain success for themselves and capitalise on the new development. Some of the literature raises the question of how can a CA over rivals be protected from duplication and develop into a source of sustainable competitive advantage, for the organisation?

2.9 Defining Sustainable Competitive Advantage

The term SCA emerged in the 1980’s when “Porter discussed the basic types of competitive strategies firms can possess (low-cost or differentiation) to achieve SCA. Interestingly, no formal conceptual definition was presented by Porter in his discussion” (Hoffmann, 2000 1). The idea of SCA materialised from the work of (Day, 1984) when he identified types of strategies to help “sustain the competitive advantage” (Day, 1984 32). While the concept was first theorised, it wasn’t until just short of a decade later that actual theory was developed by (Porter, 1995) and then again by (Wright et al, 2001) that took the defined concept and developed it into theory. (Porter, 1995) developed a theory that HR was among one of a few competitive edges or advantages that organisations could built upon. It wasn’t until (Wight et al, 2001) some years later advanced on the initial workings of (Porter, 1995) and applied in to HR functions only.
2.10 Current Crisis Facing HR Today

The situation that HR professionals find themselves in today differs greatly from where they would have been a decade ago. There is a group of thinkers who remain sceptical about the value that HR can bring to an organisation. Some authors still promote scepticism and warn caution about the total success of HRM overall. Academics have formed and added models, theories and schools of thought to the field of HRM over the last 20 years and there has been a real uptake in this area. Chapters of books and whole text-books have introduced the subject, (Langford, Hancock, Fellows & Gale, 1995, Durken & White, 1996) among others. However, according to (Daunt, Bagthole & Neala, 2000) whilst there is a surge in academic input into publications regarding HRM there is a distinct segregation between this and its uptake in forming part of the HRM policies and practices. The question formed from this information is why is there a lack in HR Department’s uptake? An answer is found, by looking at all the challenges HR is facing today.

2.11 HR Challenges

HR professionals are faced with a considerable amount of challenges and dilemmas today. While some issues are new and evolving, presenting exacting and particular courses of action, many are not. There still remains a predicament for HR that some problems have always, and will continue to exist, and form roadblocks for HR professionals that they have to overcome. The causes of these issues can be attributed to globalisation, change in the workplace attitude due to society’s influence of the economic situations that employees, companies and societies find themselves in today. There are samples of some and not all causes. (Torrington, 1998)
maintained that HR Professionals cannot be blamed for such changes that have impacted on HR as a role

2.12 HRM’s Seat At The Executive Table

The Human Resource function has consistently faced a battle in justifying its position in the organisation (Drucker, 1954, Steward, 1996) It is the contention of (Wright, Duford & Snell, 2001) who argues that funding and spending in the HR Department is more easily justified during good economic times However, many scholars believe that when organisations are faced with financial difficulties, or a prolonged downturn in the economic climate, then such “HR systems fall prey to the earliest cutbacks” Some researchers have suggested that for HR to prove its worth as a profession there needs to be a clear move for the Department to become more strategic Others, however, believe that as a function HR has to have a greater impact upon the companies’ bottom-line of the business More research still has to be conducted on this area in order to explain why HR does have an influential presence on the business bottom-line or research had to be conducted on why HR doesn’t influence the organisation on a strategic level

2.13 Conclusion

The literature has provided the researcher with a wide variety and extensive scope of understanding on the current literature pertaining to this research phenomenon There is still argument among the theorists and authors as to the impact that HR has on an organisation’s bottom line It is clear from the review of the literature that internal sources of competitive
advantage can be the secret success to companies who find themselves operating in a recessionary period. The review of the literature pertaining to what has been debate the ‘The great recession’ presents the researcher with a topic of much contention and debate. It also illuminates the effect that this downturn in the economy is having on HRM and what HR is having to do in terms of changing policies and practices as a result. The issue that HR has had to consistently face is battling for its position in the organisation and the challenges HR faces are also critically reviewed.
Research

Methodology
METHODOLOGY

3.1 Introduction

This chapter will explain how the research was conducted and outlines the research strategy and the design process. This chapter also identifies what philosophical assumptions underpin this research and the way it was undertaken. The research objectives, from which the research questions are derived, are seen to form fundamentally part of the methodology chapter.

3.2 Link With Literature Review

The literature review section attempts to portray the role that HR can be utilised as a source of not only competitive advantage (CA) but also of sustainable competitive advantage (SCA). This phenomena has been investigated and evaluated as part of the literature review chapter. The literature fails to show that HR can be seen as an untapped source of competitive advantage to a firm in the current economic climate. There is little, if any, empirical data that shows the correlation between the two phenomena. This highlighted gap helped identify that this is where this research project should be focused.

3.3 Purpose of Research

It is the author’s perception that, given the constraints that firms find themselves in today in the current economic climate, that all potential sources of competitive advantage must be developed so as to be of most benefit to the organisation. HR can potentially be, if...
already, a source of SCA that rival companies can never fully replicate. However, do all firms see this potential within their HR departments? If not, why not? In order to better understand this the researcher must undertake this research study to explore this phenomenon.

3.4 What Is Research?

Research can be described as “a systematic and organised effort to investigate a specific problem encountered which needs a solution. It comprises a series of steps that are designed and executed with the goal of finding answers” (Sekaran & Bougie 2010: 2). Similarly, it can also be referred to as “the systematic collection and interpretation of information with a clear purpose, to find things out” (Saunders, Lewis & Thornhill 2009: 600).

While engaging in a research project the author not only discovers information pertaining to the relevant research topic, but also gains a greater understanding of the way the world operates and how specific phenomena influence decisions – even subconsciously.

3.5 Research Philosophy

This term is an overarching term that is concerned primarily with the development of knowledge and the nature of that particular knowledge. The basis of this research will take the form of both qualitative and quantitative research strategies. The reasoning is based upon the premise that the researcher’s axiological position of a ‘world view’ is that “it’s impossible for the researcher to stand apart from the individuals that he or she is studying” (Frankel & Wellen, 2006: 433). In other words this means that the researcher is “understanding what things mean to others” (Frankel et al, 2006: 433).
The Research Onion is a way in which the researcher systematically worked through the research. The figure 3.5 should be read from right to left and at each layer make the relevant and, most importantly, the most appropriate choices for the research being conducted.

Figure 3.5 The Research Onion.

(Sourced from Saunders et al, 2009)

The author acknowledges that social science paradigms play a prominent role in “business research to generate fresh insights into real-life issues and problems” (Saunders et al, 2009:129). The use of both qualitative and quantitative data is seen as combining research approaches and it’s “perfectly possible to combine deduction and induction within the same piece of research. But in our experience it is often advantageous to do so” (Saunders et al
2009 127) Utilising this combination approach the researcher aims to utilise the benefits of both deductive and inductive approaches. This way the research aims to cover any theories or arising hypotheses from the data collected that wasn’t accounted for in the objectives stage. This may entail further data collection or analysis in order to answer the arising theory of hypothesis (Saunders et al, 2009 135). However, the researcher would be remiss not to do so.

3.6 Research Process

The process undertaken by the researcher began with important decisions on what exactly was the phenomena being researched and how to best chose the correct method to achieve valid and reliable data collection. In this research project the process will be conducted in a deductive, multi-method taking the form of both online questionnaires and semi-structured interviews. "The deductive approach is understood as moving from the general to the specific, that is it is a study in which a concept and theory structure is developed before testing empirical observation" (Hussey & Hussey, 1997 13). Since this study is based on testing a theory that is driven by research questions, that the researcher is endeavouring to test, the researcher believes it to be most appropriate. In contrast with an inductive style that is generally concerned with theory building by its very nature, in adopting a multi-method or triangulated approach to data collection the author hopes to fulfil the research aim by accessing a merit of source who can best respond to achieve the goal of this study. The researcher also believes that by utilising a multi-method of data collection it allows for greater confidence to be placed in the final conclusions due to the access to multiple methods. It was never the researcher’s intention to evaluate the respective HR departments, or the effectiveness of their impact upon their organisations. The figure 3.6 refers to the research.
process as designed by (Quinlan, 2011) - the diagram is an adaptation of this and is the process by which the researcher conducted this study.

**Figure (3.6) The Research Process**

(The Research Process adapted from Quinlan, 2011:323)
3.7 Rational Of Research Approach

"The research methodology used in the research must be capable of supporting the research, of facilitating the accomplishment of the aim of the research and the completion of the research" (Quinlan, 2011 181) The researcher decided that the rational for this research was best achieved by combining qualitative and quantitative research methodologies for optimum results “decide which one will work best in relation to what it is you want to accomplish with your research and work with that methodology” (Quinlan, 2011 189) It can be beneficial to use more than one research method when conducting research

3.8 Qualitative – V – Quantitative Evidence

One of the most important decisions that a researcher will face is in relation to deciding on which research strategy - Qualitative or Quantitative - to employ that will most likely achieve the author’s research aim Many researchers will undoubtedly face constraints of some sort that will impact upon their decision Examples are, access pertaining to fieldwork, time constraints or financial constraints and these may impact upon their selection of a research strategy Many researchers will have a position on which of the two, qualitative and quantitative methods, is more effective or will argue to discredit one in favour of the other Both approaches are grounded, according to some researchers, in very distinct camps as they can be closely linked to contrasting philosophical assumptions “The term research philosophy relates to the development of knowledge and the nature of that knowledge your research philosophy contains important assumptions about the way in which you view the world” (Saunders et al, 2009 128) Both qualitative and quantitative are differing research strategies They differ in terms of their general orientation to social research, their
epistemological foundations and ontological basis (Saunders et al, 2009) “Quantitative research is a formal, objective systematic process in which numerical data are used to obtain information about the world” (Burns & Grove, 2005 23) Qualitative research is multi-method in focus, involving an interpretive naturalistic approach to its subject matter. This means that qualitative researchers “study things in their natural settings, attempting to make sense of, and interpret, phenomena on terms of the meanings people bring to them” (Denzin, 1994 2). (Lincon & Guba 1985) believe that qualitative and quantitative research is incompatible with each other. However, (Patton, 1990) believes that a researcher should combine both of these research methods. In its simplest form a distinction between quantitative research could be that the data is mostly numerical whereas qualitative data can be seen to use only words. Many researchers believe that how a particular researcher views the world will subsequently impact upon their position (Lincon & Guba, 1954, Denzin and Lincon, 1994).

There has previously been a distinct tradition in literature, pertaining to areas with the social sciences (in which HR falls), that advocates the use of multiple data collection methods (Jick, 1979 602). This particular research strategy was initially described as a convergent methodology or as a multi-method/multi-trait method (Campbell & Fiske, 1959). This form of research strategy developed into what has become known as ‘triangulation’ (Webb, Campell, Schwartz & Schrest, 1966). These notions share the same ideal that both qualitative and quantitative methods of data collection should be seen by research as complementary rather than as a choice between one or the other (Jick, 1979 602). “In fact, most text books underscore the desirability of mixing methods given the strengths and weaknesses found in a single method designs” (Jick, 1979 602). Triangulation is broadly defined as the “combination of methodologies in the study of the same phenomenon” (Denzin, 1978 291).
The metaphor behind what gives ‘triangulation’ its title is derived from a military strategy that utilises multiple reference points to pinpoint an object’s exact position (Smith, 1975 273). Similarly, there is a rational that organisational researchers can improve the accuracy of their respective strategies by collecting different kinds of data bearing on the same phenomenon (Jick, 1979 602). The origins of ‘triangulation’ can be traced back to (Campbell & Fisk, 1959). It was their contention that “more than one method should be used in the validation process to ensure the variance reflected that of the trait and not of the method. Thus the convergence or agreement between two methods Enhances our belief that the results are valid” (Bouchard, 1976 268).

For the purpose of this research the author has decided that being forced to choose between qualitative and quantitative method approaches would only serve to significantly hinder the research aim. This researcher believes that what is sought to be understood, i.e. the research question, should drive the choice of appropriate methodology for this study. By examining the dilemma posed by choosing between the methods presented the researcher opts for a combination of a holistic approach (Bryman, 1984) contends that neither approach is mutually exclusive and (O’Leary, 2005) stated that “collecting credible data is a tough task, and it is worth remembering that one method of data collection is not necessarily better than another” (O’Leary, 2005 150). Granted, while the approaches differ in their own right, nothing prevents researchers from combining both qualitative and quantitative methods (Patton, 2002) for an overall, and more rounded approach, toward the research aim.
3.9 Triangulation

The author decided to use a mixture of methodology approaches as it facilitated triangulation to occur. Triangulation is the use of different methods of data collection within the one methodology in one particular research study. "The research will draw on two different kinds of documentary evidence, survey data and interview data. Taken together, these data will provide the research project with an in-depth and triangulated perspective necessary" (Quinlan, 2011 197)

3.10 Questionnaires

The term questionnaire has a very diverse range of meanings attached to it and as a result there is a wide range of associated definitions (Oppenheim, 2000). For some authors the term is reserved exclusively for when the respondent answering the questions is recording their own answers, however, other authors argue that such a precise definition is too narrow and that they define it as a more general term that includes many methods i.e. interviews, telephone etc. (Saunders et al, 2009). For this reason questionnaires can be seen to encompass differing techniques of data collection (DeVaus, 2002). Each person being targeted is asked to respond, with their own answers, to the same set of questions which have been set in a predetermined order.

Questionnaires are "very precisely structured data gathering instruments they are used primarily in quantitative research to generate quantitative data, although qualitative data can be generated by questionnaires, through the use of open questions" (Quinnlan, 2011 322)
Questionnaires are a method of data collection that is used to collect factual information and interpretations of beliefs to gauge what that person knows on a set subject matter. According to (Quinlann, 2011) the design of a questionnaire, from a respondents viewpoint, relates to its accessibility and simplicity to understand it as a tribute to the amount of work and reflection that the researcher engaged in while compiling the questionnaire. This would particularly have occurred during the ‘devise data collection methods stage’ of the Research Process (See Figure 3.6).

The author of this study noticed that the initial ideas and expectations around the use of questionnaires changed and developed for the author’s initial stages of the literature review and the “conceptualization of the research” (Quinlan, 2011:323). After initial alterations, from the collection and delivery questions procedure to an online questionnaire method of data retrieval, the design of the questionnaire commenced. See figure 3.10 below; types of collection data classified under types of questionnaires in the diagram below.

**Figure 3.10 Types of Questionnaires**

(Sourced from Saunders et al, 2009:363)
Researchers, for example (Oppenheim, 2000, Bell, 2005), argue that it is very difficult to design a good questionnaire that actually achieves the researcher's desired results. Often a researcher only has one opportunity to collect data from a population, second follow-up surveys or questionnaires are not always possible given that some respondents wish to remain anonymous (Saunders et al, 2009). To avoid such complications this researcher analysed both what the questionnaire was designed to answer and what potentially might be misinterpreted. With that in mind the researcher designed the questions in a manner that they were clear and concise but also were geared toward providing the platform that best allowed the data to be extracted. The design of a questionnaire, according to (Saunders et al, 2009), and other authors, believe that the design of the questionnaire will have effects on the response rate and the reliability and validity of the data you collect. The questionnaire used in this study can be seen in (Appendix 2).

(Saunders et al, 2009) outlined five points that aim to maximise the validity, reliability and response rates of a questionnaire. They are,

- Careful and logical design of each question,
- A pleasing and ascetic layout of the overall questionnaire,
- Lucid explanation of the purpose of the questionnaire,
- Pilot testing to ensure optimum clarity,
- Carefully planned and executed administration

Adapted from Saunders et al, 2009 362
Researchers in many disciplines can attest to the ease of access to online research and may find that the internet is a fruitful area for conducting survey research (Wright, 2005). Studies have shown that the increases in technology, and the widely available access to the internet, has revolutionised the idea on collecting data through this medium. Research of online populations has led to a huge increase in the uptake and utilisation of online questionnaires. Such advances are presenting researchers and scholars with new challenges in terms of applying the traditional survey research methods to the study of online behaviours and attitudes of online internet use (Andrews, Nonnecke, & Preece, 2003, Bachmann & Elfrink, 1996, Stanton, 1998, Witmer, Colman, & Katzman, 1999, Yun & Trumbo, 2000).

Traditionally, creating and conducting online research in the form of surveys or questionnaires was a lengthy and time consuming process that required the researcher to have in-depth knowledge of web authoring programmes, HTML codes and scripting programmes to simply design the questionnaire (Wright, 2005). When evaluating the advantages and the likely disadvantages of online questionnaires, comparisons can only be made between them and the respective advantages and disadvantages of written surveys/questionnaires. The author acknowledges this to be the case, however, this study only deals with online questionnaires and as such is the researcher's only concern.

Advantages to utilising online questionnaire data collection methods include, but are not limited to, the following for
• Less expensive and time consuming than other types data collection methods,
• Not being constrained by geographical location,
• Quick analysis of findings,
• Convenience of having automated data collection,
• Convenience for the participant completing the questionnaire, complete in a convenient time,
• Reduces bias or misinterpretation from the researcher’s perspective,
• Fair and consistent questions asked repeatedly,
• Consideration and reflection from the participant, resulting in more accurate answers,
• Online questionnaires allow access to populations sometimes otherwise unachievable,
• Access to large populations in a limited time,

(Adapted from Polit & Hungler, 1991 and Wright, 2005)

Equally there are disadvantages for employing online data collection (Wright, 2005), some of which include

• Not allowing for probing or exploratory follow up questions to responses if not predetermined,
• Linked to poor response rate due to lack of motivation typically due to no direct contact with researcher,
• Sampling concerns,
• Concerns surround the questionnaire design,
• Anonymity of submissions means anyone could complete answers not just the intended individual,
• Removal from interpersonal engagement form the process of answering questions,
• Multiply re-submissions,
• Problems surrounding evaluating findings,
• Non serious response as a result of no direct consequences hailing from anonymity,
• Deceptively of falsely answering questions


3.10.2 Overcoming Shortcomings To Online Questionnaires

In light of the advantages and disadvantages presented to the researcher, it was determined that while there was merit and recognition in the drawbacks presented with online questionnaires they still did not outweigh the advantages in this case. To overcome some of the shortcomings the researcher has put in place the following protocols in an attempt to minimise the problems associated with this type of data collection method. The online questionnaire package that the author employed has a failsafe that the respondent can only access the survey once from the same IP (Internet Protocol) address thereby avoiding re-submissions. The author also sent an accompanying e-mail attached to the survey link as well as followed up with a telephone conversation, prior to completion of questions, to ensure there was interpersonal engagement and thus ensured a higher response rate. A pilot test was conducted to check the validity and consistency of questions and allowed for many possible responses to be potentially foreseen as a result, written 'please specify boxes' were added onto certain questions to achieve more relevant answers. The questionnaire design was
structured in a clear and conscience manner and all questions had to receive an answer before it was possible to submit. This ensured no question was skipped and permitted maximum retrieval of data from all respondents.

3.11 Interviews

An interview can be seen as a purposeful discussion between two or more people on a particular topic (Kahn & Cannell, 1957). Interviews are generally used when there is a requirement to achieve or attain personal information. In many ways interviewing is a way of collecting data as well as gaining knowledge from participants relating to your area of research. Some authors regard interviews as "an interchange of views between two or more people on a topic of mutual interest that sees the centrality of human interaction for knowledge production, and emphasizes research data" (Kvale, 1996 14). Interviews are generally used when the researcher can identify the target population in respect of the study and can engage these respondents in the interview process (Quinnlan, 2011).

There are many differing ways to categorise interviews. One way involves the use of typology's which involves classifying according to general type, in this case the classification is the formality and predetermined structure the typology identifies,

- Structured interviews,
- Semi-structured interviews,
- Unstructured or in-depth interviews
The author of this research phenomenon has decided on the use of semi-structured interviews for this thesis. This type of interview is commonly used as the general themes and questions can be asked but in a more conversational setting. The researcher will have a set of key topics and possible avenues for questioning but no specifics on exact running order or of exact wording. This allows the interviewer the manoeuvrability to probe preceding questions and ask for more clarification on particular topics (Corbetta, 2003) describes semi-structured interviews as an exchange where various topics are dealt with. He also notes that “the wording of the questions are left to the interviewer’s discretion. The interviewer is free to conduct the conversation as he sees fit, to ask the questions he deems appropriate in the words he considers best, to give explanations and ask for clarification if the answer is not clear, to prompt the respondent to elucidate further if necessary and to establish his own style of conversation” (Corbetta, 2003 270)

The most appropriate type of interview is best chosen in terms of its ability to meet the research strategy and its ability to meet the area of the research phenomena. They are a range of types of interviews and according to (Quinlan, 2011) they can essentially fall into five distinct categories which are,

1 One-to-one interviews,
2 Group interviews,
3 Telephone interviews,
4 Online interviews,
5 Photo-elicitation interviews
Each one has its own advantages and drawbacks, however, the author has determined that the one-to-one interview in the style of a semi-structured interview will best achieve the aims of the research project and ultimately achieve some insights into the research topic.

The advantage to this method is that it encourages two-way communications which also allows for probing on particular responses to gain additional information. The benefits of interviews are that they allow the interviewer to ascertain data from respondents in a non-judgmental way. There is also the benefit of achieving larger quantities of highly relevant data attributed to the ability to ask more on a precise subject matter. The drawbacks to this kind of research are that it is more problematic to get participants due to the fact it is face to face and their anonymity isn't protected to the same extent as other research methods. It is also potentially problematic as the interviewer's bias may become involved in the exchange and ultimately affect the findings and conclusions drawn. There is also the ability for the interview to go off course if the conversational attitude isn't guided somewhat by the interviewer because some participants' responses may shift onto other topics.

3.11.1 Linking The Purpose Of The Research To The Research Strategy

The figure 3.11.1 below, details the many forms of possible sources of data collection when employing a qualitative interview method. According to Saunders et al, 2009, each of the forms of interviews outlined correlate to a distinct purpose. In the case of this research semi-structured interviews are classed under non-standardised and are used "to gather data, which are normally analysed qualitatively. This data is likely to be used not only to reveal and
understand the ‘what’ and the ‘how’ but also to place more emphasis on exploring the ‘why’” (Saunders et al, 2009:321).

Figure: 3.11.1 Types of Interviews

3.11.2 Interview Structure

The author has decided that the interview structure will take the form of a semi-structured interview where the interviewer has a list of key topics relevant to this study that will act to guide the exchange. The questions will be open-ended and will allow for follow up questions on statements of interest. The key topic areas will include the following;

- What kind of company do you work in?
Tell me about your main role in your organisation?

Tell me about your HR Department (size/in-house/dealings/utilisation/how it operates)?

How do you feel about the HR presence throughout your organisation? (Is there one?)

What is your thinking on having a HR department? Is it critical to the successful running of a business? – Why do you think that?

Talk about the effects the recession has on your department/company?

Can you think of any HR policies and practices that senior management would rely on to assist the business in a recession?

What is your understanding of competitive advantage?

Do you view HR as an important source of competitive advantage for an organisation? – Why do you think that?

### 3.11.3 Interview Setting

The setting of the interviews will be in a neutral location for all parties involved. The setting lends itself to that where confidential conversations cannot be overheard and the setting also was one where there were minimal interruptions which would have impacted upon the flow of the interview negatively.

### 3.12 Ethical Considerations

Ethics can be defined as the norms or standards of behaviour that guide our moral choices about our behaviour and about the relationships we have with others (Cooper & Schindler,
Ethics, when conducting research, is important to preserve the confidentiality and integrity of the relationship between the respondents and the researcher. A breakdown in this relationship will potentially lead to the participant's withdrawal from the study and along with it the information the researcher needs. The issue of ethics arises mainly in the area of access to respondents, the collection of sensitive data and in relation to the sorting, publication and storing of that data.

Every researcher has the responsibility to protect the participants and populations of their studies. As such, the author has decided to follow the following ethical guidelines in all aspects of this research. This includes the consent, collection, sorting, storage and analysis of data and the data collection methods. To ensure that all participants to the research were fully briefed on how the data collection process was going to work and the sensitive ethical issues surrounding the respondents' anonymity, the author designed a 'Participant Research Consent Form' (See Appendix 1) that clarified for both the participant and researcher what the other knew was the agreement pertaining to consent to participant, anonymity and use of anonymous quotes in the findings/conclusions chapter.

The researcher has decided to follow the following ethical principles, these form a general summary of many ethical codes. These principals are sourced from (Shammo & Resnik, 2011):

- **Honesty** - Strive for honesty in all scientific communications. Honestly report data, results, methods and procedures and publication status. Do not fabricate, falsify, or misrepresent data. Do not deceive colleagues, granting agencies or the public.
• **Objectivity** - Strive to avoid bias in experimental design, data analysis, data interpretation, peer review, personnel decisions, grant writing, expert testimony, and other aspects of research where objectivity is expected or required. Avoid or minimize bias or self-deception. Disclose personal or financial interests that may affect research.

• **Integrity** - Keep your promises and agreements; act with sincerity; strive for consistency of thought and action.

• **Carefulness** - Avoid careless errors and negligence; carefully and critically examine your own work and the work of your peers. Keep good records of research activities, such as data collection, research design and correspondence with agencies or journals.

• **Openness** - Share data, results, ideas, tools, resources. Be open to criticism and new ideas.

• **Respect for Intellectual Property** - Honour patents, copyrights and other forms of intellectual property. Do not use unpublished data, methods, or results without permission. Give credit where credit is due. Give proper acknowledgement or credit for all contributions to research. Never plagiarize.

• **Confidentiality** - Protect confidential communications such as papers or grants submitted for publication, personnel records, trade or military secrets and patient records.

• **Responsible Publication** - Publish in order to advance research and scholarship, not to advance just your own career. Avoid wasteful and duplicative publication.

• **Respect for colleagues** - Respect your colleagues and treat them fairly.

• **Social Responsibility** - Strive to promote social good and prevent or mitigate social harms through research, public education and advocacy.

• **Non-Discrimination** - Avoid discrimination against colleagues or participants on the basis of sex, race, ethnicity or other factors that are not related to their scientific competence and integrity.

• **Competence** - Maintain and improve your own professional competence and expertise through lifelong education and learning; take steps to promote competence in science as a whole.

• **Legality** - Know and obey relevant laws and institutional and governmental policies”

(Adapted from Shamoo A and Resnik D, 2009.)

### 3.13 Pilot Testing

The purpose of a pilot test is to refine the method of data collection, in this case questionnaires and semi-structured interviews, so that the respondents will have no problems with the format or understanding the process (Saunders et al, 2009). The purpose of piloting a
3.13.1 Pilot Test On Questionnaire

The researcher indicated that skipping this testing is tempting due to constraints the researcher may find pressing, “however pressed for time you are, do your best to give the questionnaire a trial run” (Bell, 2005: 147) as without it there is no certain way to ensure success. This researcher believes this to be true. As a result, a pilot test, admittedly on a small population, was conducted. The questionnaire was tested on three employees and three HR Professionals to test its validity, layout, and question comprehension. The author aimed to follow the thinking of (Fink, 2003) in ensuring that the participants had no problems in answering the questions or no problems in following the instructions. As a result, some changes were made to ambiguous questions and re-ordering of the questions was also recommended to the author to provide a better flow and ease in understanding. All the participants’ points and comments were taken on board by the researcher, and these changes encouraged the author of the ‘face validity’ of the questionnaire.
3.13.2 Pilot Test Of Semi-Structured Interview

It is the opinion of some researchers that “a pilot study assists in estimating the time and costs that may be involved as well as pre-empting the problems that may arise during the actual qualitative interviews” (Strydom & Delport, 2002 337) The setting and structure of the interviews are flexible, it is the nature of this type of interview anyway, however, the setting for a confidential interview was assessed to ensure minimal interruptions and was deemed appropriate after two pilot interviews were conducted there. The pilot study also allowed the researcher the opportunity to gauge the length of time the interviews may possibly take so as to inform the respondents in advance. The advantage of a pilot study is that any problems or misinterpretations can be ironed out and dealt with prior to the real study taking place (Quinlan, 2011)

3.14 Sample Population

The researcher’s sample population for this research was selected from the HR professionals and employees within the same companies as each other. They were chosen at random across all sectors and industries so as to provide a comprehensive overview of how the different sectors/industries respond to the study on HR as a potential source of SCA for organisations. Initial contact was made over the phone or by e-mail in order to access the participant’s interest in participating in such a research study. Those who were willing were then sent on a ‘Participant Research Consent Form’ (See Appendix 1) in line with the researcher’s ethical position. Once they were completed and returned then those who opted to complete the online questionnaire only were forwarded on the relevant link. Those who requested interviews only were met and the interviews conducted as outlined above.
3.15 Common Research Problems

There are many problems that a researcher can face throughout all stages of the research process. Some problems begin with the area of focus and said areas relate to the fundamentals of research 'validity' and 'reliability'. Reliability is the dependability of the research to the degree to which the research can be repeated while obtaining consistent results” (Quinnlan, 2011: 482). Reliability of the research is concerned with the dependability that the research progress gives to the research. The consistency of the progress should be dependable so as to withstand the research being repeated and yielding similar results. Accordingly, “validity relates to how logical, truthful, robust, sound, reasonable, meaningful and useful the research question is” (Quinnlan, 2011: 484). Alternatively, problems for the researcher arise when creating the research statement and/or research questions – as they are the founding stages upon which the whole research process is built upon. “The research statement or question becomes the conceptual framework for your research” (Quinnlan, 2011: 178). Additionally, identifying the context of the research and identifying the most relevant methods of data collection to fit the context and parameters of the study are also important. Another equally problematic area is in identifying the different research methodologies and trying to select the most relevant and suitable methodology that is most appropriate for the research being conducted. While the researcher may “use more than one data gathering method, you will use only one research methodology in your research project” (Quinnlan, 2011: 178). Similarly, understanding the language used in the research environment may also potentially provide a stumbling block for entrants new to the area. Engaging with the varying viewpoints and positions may also prove problematic. While this is not a concise list of potential problems a researcher may encounter, as the list would depend on a huge variety of factors i.e. subject of research, environment, constraints etc., these are but a few of the most likely
3.16 Reliability

It is acceptable to define reliability as the extent to which data collection techniques yield consistent findings and where other researchers, who could employ the same methodology, achieve similar or consistent results (Saunders et al, 2009). Qualitative research, in terms of reliability, is concerned with whether the alternative researchers would reveal similar information (Easterby-Smith, Thorpe & Jackson, 2008, Silverman, 2007). There is an issue about the reliability of the data when the research strategy employs the use of semi-structured interviews in particular. The way in which the questions in the interview are asked, the setting, the knowledge the participant has in advance, the information that the respondent has and the impression that the interviewer has can all have an impact upon the interview. In this case the researcher took care and precautions to ensure that there was reliability in the findings of the semi-structured interviews. The setting was neutral and free from disruptions. The author gave all information in advance of the meetings as well as furnishing the participants with a research consent letter. The reliability of the questionnaire was less ambiguous than the interview as the questions were set and all participants completed the same set of questions. It would be easier to re-conduct this data collection method in a similar population to prove results were consistent.

3.17 Validity

Validity refers to the “evidence the instrument, technique, or process used to measure a concept does indeed measure the intended concept” (Sekaran et al, 2010). Under the heading of validity falls subcategories internal validity - to what extent does the research findings accurately represent the data collected and external validity - that is can these findings be
transferred to other contexts or settings (Sekaran et al, 2010) Qualitative researchers are highly concerned with the credibility, honesty and the truthfulness of their research (Quinlann, 2011) Many researchers argue that above all else it is in the research studies or projects of qualitative researchers that they strive to ensure that their research is trustworthy and authentic in all aspects (Lincoln & Guba, 1985, Guba & Lincoln, 1994) This researcher had endeavoured to prove the validity of this study in line with the suggestion guidelines of (Quinnlan, 2011) that state “validity can be established through the depth and complexity of the research project, through the detailed description of the methodology and methods used in the research project and through the expert knowledge of the data carried out by the researcher” (Quinnlan, 2011 308)

3.18 Conclusion

This chapter has focused on the research strategy, the process of this research and the data collection methods. The next chapter of this study will look at analysing the results that are a result of the methodology that is explained in this chapter
Findings
FINDINGS

4.1 Introduction

In this chapter the author will discuss the findings of this study which aims to answer if Human Resource Management can be seen as a source of competitive advantage for an organisation giving the current economic climate. Chapter three outlines the research strategy used and it also details the purpose of the research. The chapter goes on to explain why the author employed a mixed method or ‘triangulated approach’ to data collection in the form of questionnaires and semi-structured interviews. It is expected that the use of this ‘triangulated approach’ will prompt the appropriate answers to the questions posed. In this chapter the researcher will carefully analyse the primary data collected whilst having regard for ethics, reliability and validity of the research.

4.2 Primary Data Analysis

The analysis was carried out in accordance with the data analysis strategy outlined in the previous chapter. The questionnaire was sent to thirty respondents – fifteen employees and fifteen HR professionals in the same organisation. The researcher’s aim was to collect the perspectives of both the employee’s perspectives and the HR professional’s to the questions posed. This will provide the results with equal viewpoints, on the questions posed, and as such allowing the author to make a fair representation from both sides. The response rate was 53.33% - a total of sixteen responses. However, one of the participants decided to withdraw from the study at the last minute and so the data analysis was of the remaining fifteen participant responses - a 50% response rate.
4.3 Structure Of Findings Chapter

The questionnaire was designed that questions one to six provide background information on the sample population and these are analysed in section 4.4. Questions seven to twelve are then designed to analyse the HR function in this recession. How HR assists the business in the current economic climate are analysed in section 4.5. The last questions, thirteen to fifteen, are intended to assess HR’s contribution towards achieving CA for their organisations and the analysis of these questions can be found in section 4.6. The semi-structured interviews predominately supplement this last section, questions twelve to fifteen, as they probe the reasons, success and failure of HR’s contribution to sustainable competitive advantage.
4.4 Background On Research Sample

4.4.1 Question 1

This first question of the questionnaire was the only one that was left as a non-compulsory question. The reasoning was that the researcher received a merit of queries, at the consent to participant stage, advising that if disclosure of the company or organisation was required the participants were therefore uneasy about participating. Many disclosed that in the current climate they were not willing to risk answering any questions that may seem controversial to their respective organisations. As a result, the researcher decided that question one should to optional. Below is a list of those who willingly provided an answer for this question,

- Colm Brown & Co
- Certus
- Civil Service
- HAYS
- DemonWare
- Diacom
- UCD

There is no order to the above list, other than the author decided on listing it alphabetically. The response rate for this question was 46.66%
4.4.2 - Question 2

This question asked the participants if their company was in the national or multi-national sectors? Analysis shows that slightly over half of the population, 53.3% to be precise, is employed in the national sector. While the remaining 46.7% of the respondents indicated that they are employed in the Multi-National sector.

![Pie chart showing 53.3% in national sector and 46.7% in multi-national sector.

Figure 4.4.2: Percentage of the sector that took part in research.
A total of 15 participants took part in the survey made up of employees and HR professionals. The sample was 50% employees and 50% HR professionals, however, as a result of one HR professional withdrawing from the process it was 15 respondents out of a possible 30. A range of industries were selected and an 'other industries' option was available for selection, however, no one indicated it in their answers. The analysis shows that 26.8% of the participants are in the Banking/Financial industry, 13.4% are in Communications or Media sector, 13.4% work in the Electronics/Technology sector, while Health Care also has 13.4% of the sample population there. 6.7% of the contributors are in the legal industry, while manufacturing represents 13.4% and Pharmaceuticals also has a percentage of 13.4% of the sample population.
4.4.4 - Question 4

The respondents selected the relevant category that represents their current job. The sample population shows that 6.7% are Managing Directors and that 26.7% of the sample are working as HR Professionals. The position of Manager represents a 33.3% of the population, Administrative positions accounts for 26.8% and the remaining 20.1% positions are categorised as general operatives.

Figure 4.4.4: Participant’s current position.
This question asks the population what is their principle role in their organisation? The data was collected by an ‘essay or comment box’ as the answer to this question. All fifteen partakers gave an answer and listed below are excerpts of those responses,

- “I have numerous responsibilities as I work in the HR department, monitoring holidays, absenteeism, payroll queries, running statistical reports on a weekly basis, implementing company policies, leading various projects in order to improve the way in which the company operates”
- “My primary role in a HR Manager, however, my day to day role is currently in training and development”
- “As HR Generalist I report to the MD on all matters relating to the HR Department”

While some of the responses were significantly shorter, such as, “Recruitment”, “Administrative”, “Control Assurance” and “Technical Support Assistant” they all add to the understanding of the biological information of the sample population. This question allows the author to understand the role of the employees that contributed to the data as well as the roles the HR professionals have
40% of the contributors to this study indicate that they have only been employed in their current positions for less than one year. 26.7% of those surveyed have been employed for 1-5 years. The analysis of the data indicates that only 20% of the sample have been employed in the same position for over five years and only 13.3% of the participants have been in the same position for over 10 years.
4.5 HR Function In The Recession And Its Contribution At The Strategic Level

The following findings are the responses from the semi-structured interviews and the online questionnaire that are related to HR and its activities in the recession. Also, this section explores HR's contribution to the organisation at a strategic level.

4.5.1 - Question 7

This question is designed to achieve quantifiable data on the utilisation of the HR Department. As the figure (4.5.1) below shows, 40% of the partakers indicate that they are HR professionals and that the HR Department is their work environment. Of the remaining 60% of the population they had to specify, from the three options, Frequently, Occasionally, and Rarely, how often they utilise their HR department. 6.7% responded as frequently, 26.7% note they use it occasionally, and 26.7% said that they rarely use their HR Departments.
Figure 4.5.1: Utilisation of the HR Department
4.5.2 – Question 8

Question eight asks the participants whether there is a good HR presence throughout their organisations? The design of this question was that the respondents were asked to choose between yes or no and then give a detailed answer for their choice. 73.3% of the population believes that there is a good HR presence while the remaining 26.7% believe that there is not.

![Pie chart showing 73.3% Yes and 26.7% No for HR presence](image)

Figure 4.5.2: HR presence in the organisation

Some of the reasons the partakers who indicated ‘yes’ for the above answer i.e. that there is a good HR presence are quoted below:

---

67
❖ "We have a very competent and able HR team working with us to the benefit of the organisation"
❖ "Our HR team are actively involved in new initiatives on a consistent basis"
❖ "There is a good presence through all departments I believe Our HR strategy is that of continuously learning, employees are encouraged to progress and develop themselves and that ultimately benefits us as an organisation"
❖ "Dedicated HR division, informative intranet, HR business partners"

Equally, there are the 26.6% of the population that directed that there wasn’t a good HR presence in their organisation and below are the excerpts that support that viewpoint,

❖ "No We are facing redundancies so HR is, however unfortunate, seen in an extremely negative light"
❖ "It does not appear to have a dynamic proactive presence in our organisation"
❖ "HR has minimal impact"
4.5.3 – Question 9

This question required the partakers to comment on what is their HR Department’s involvement at strategic level in their organisations and what, if any, influence does HR have at that level. Three respondents, that is 20.1% of the sample who took part, responded with “Unknown/Don’t Know” as their answer. 46.9% indicated by their responses that yes HR did have involvement at strategic level and 33.5% revealed that they did not believe HR had involvement. See the Table 4.5.3 below,

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Table Number 4.5.3 HR’s Involvement at strategic level

Below are the responses given,

❖ “Given the changing economic environment, HR is actively involved in a strategic role in my Department”

❖ Yes, from what I have seen the MD and the shareholders’ value and depend on our HR team for their opinions and expertise in matters pertaining to our workforce (>300)

❖ “It organizes the training of staff to maintain competitiveness”

❖ “Influences are Recruitment/Headcount, pay and benefits equal to efforts, up to date HR Policies”
The MD of our company regularly requires updates and reports on a variety of HR and staffing/employee issues. He also requires these updates from all Departments for discussion at monthly meetings.

No involvement. Seems to be more reactive than proactive in terms of strategic influence.

Yes, very much involved. SWOT analysis is done and taken very seriously. We have a values committee that is taken very seriously and CSR is taken very seriously also.

Unknown.

Not a huge involvement. Would be involved in final sign off stage if relevant. If an area pertains to contractual changes, HR liaise with union for agreement.

Unknown.

No, HR isn't involved at strategic level and therefore has no influence.

HR Dept has no involvement at strategic level and no influence - HR Dept offers advice & possible solutions but final decision ultimately falls to Management.

Specific team delegated to strategic management who work internationally to ensure policies are implemented and followed - no involvement from HR on this team.

Don't know.
“HR does have exposure to the senior level of the organisation and as such must have some influence, however, to what extent I don’t know - I am not privy to that information”

4.5.3.1 Interview Feedback

Interview participants were asked what strategic influence did HRM have in their organisation or what was their HR Department’s involvement at strategic level in their organisations. The participants seem split on the issue. Some were of the opinion that “HR isn’t involved at that level and therefore their influence is non-existent”, whilst others were of the idea that yes they were involved but only more likely informed out of courtesy than actual input.
The subject of this question required the population to indicate on a matrix of choices with a maximum of one answer per row on each of the column options that were HR activities. The results are explained below with the use of a table that highlights the highest responses in each category as well as a bar chart that also displays the results.

The graph indicates that the highest achievement of the excellent section was a three way tie ‘Pay & Benefits’, ‘Fairness & Diversity’ and ‘Recruitment & Selection’.
The table below denotes that the highest response was given for ‘very good’ in the ‘Employee Retention’ section whilst the lowest was a tie with 7.1% ‘Fairness & Diversity’ were noted as good and with the same percentage ‘Recruitment and Selection’ were given to be executed as ‘Fair’ in one person response. Only one contributor revealed that the ‘Pay & Benefits’ in their organisation was, in their opinion, ranked as ‘Poor’ i.e. the lowest selectable option.

<table>
<thead>
<tr>
<th>HR Activity</th>
<th>Excellent</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness &amp; Diversity</td>
<td>35.7% (5)</td>
<td>35.7% (5)</td>
<td>7.1%</td>
<td>21.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Recruitment &amp; Selection</td>
<td>35.7% (5)</td>
<td>42.9% (6)</td>
<td>14.3%</td>
<td>7.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Employee Retention</td>
<td>28.6% (4)</td>
<td>57.1% (8)</td>
<td>14.3%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Talent Management</td>
<td>28.6% (4)</td>
<td>21.4% (3)</td>
<td>28.6%</td>
<td>21.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>21.4% (3)</td>
<td>28.6% (4)</td>
<td>35.7%</td>
<td>14.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance Management</td>
<td>21.4% (3)</td>
<td>28.6% (4)</td>
<td>21.4%</td>
<td>28.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Pay &amp; Benefits</td>
<td>35.7% (5)</td>
<td>28.6% (4)</td>
<td>14.3%</td>
<td>14.3%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Promoting Health &amp; Safety</td>
<td>28.6% (4)</td>
<td>28.6% (4)</td>
<td>21.4%</td>
<td>21.4%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Table 4.5.4: Ratings of the HR activities
This question asked all the participants if they thought having a HR Department is critical to the successful running of a company? 73.3% of the respondents signalled “yes” was their opinion whilst 26.7% of the population revealed that they didn’t believe having a HR Department was critical to the successful running of a company.

The participants were also asked to give a reason for their answer and below are the responses supplied for this answer;

❖ “It is in my organisation anyway as it is their efficient and effective management that contributes towards our success in achieving goals.”
❖ “Without it the management of the company’s staff would be extremely difficult.”
“HR has a fundamentally critical impact upon the success of the business. Lack of, or a malfunctioning, HR Department can in my opinion also be equally detrimental to the success of a business.”
“Litigation”
“Effective management of HR policies and processes are more important than the presence of a HR Department”
“Depends on the size of the organisation. There is no need for a HR function where the business itself may only have a handful of staff.”
“Ensure no breach of legislative requirements”
“Without it there would be no point of contact for employees who may encounter problems ranging from family issues, workplace conflicts, payment problems or issues when relocating from abroad all of which are dealt with by the HR Dept”
“It depends on the size of the company, and the finances which are available.”

4.5.5.1 Interview Feedback

The question that interview participants were posed was on the topic of was it critical to the success of a business to have a successful HR function? The interview respondents provided this feedback, “HR has to be critical to the functioning of the business, it’s responsible for the deployment and assiduousness of the workforce” This respondent’s opinion was contradicted by another who believes that “HR is suffering like many other departments from lack of resources and as such is not in a position to achieve anything to benefit the business - it is barely keeping its head above water”
4.5.6 – Question 12

What strengths, in the opinions of the respondents, should senior management rely on, for which HR is responsible, during a recession? The style of the question allowed the participants to respond to multiple choices. The average response rate is 3.6 responses per person assuming that everyone chose more than one HR strength. The results are depicted on the bar chart below;

![Bar chart showing HR strengths during a recession](chart.png)

Figure 4.5.6: HR strengths that senior managers can rely on during a recession.

These findings show that the general consensus is that sustaining employment and communication ranked highest in the populations opinion of HR activities that management ought to rely on the most in the current economic climate. The results show that all of the contributors, while in differing amounts, believed that all of the options were important for
senior management to utilise. Three participants selected 'other strengths not listed' the following points are the responses given for this section

- "All of the above options and more I would imagine that Succession planning and exit interviews are important strengths that HR would have to support management in during a recession"
- "I have ranked my top three strengths, however, I believe that a successful HR Department will rely on all these during a recession"

### 4.5.6.1 Interview Feedback

During one interview the topic of what activities, strengths or practices could management rely upon HR to provide or assist them in the current economic times arose. According to one interviewee "becoming a company which is proactive rather than reactive is important. HR can facilitate the business in this regard. The use of SWOT analysis and other forecasting measures is also important. Holding monthly meetings with all areas of the company in order to attempt to foresee any problems which may arise by comparing costs, retention etc this year to previous years is also an area HR can assist with. Drawing comparisons and closely monitoring companies within the same industry to try to ensure we don’t run into the same problems as them in the future is also important.” In contrast another semi-structured interview drew the conclusion that “HR is very focused on its own HR matters and day-to-day efficient running of its own Department, so its ability to focus fully on the business strategy isn’t an option given the current climate.” Another interview yielded a completely different line of discussion - this interviewee was of the opinion that HR impact upon the business is dependent on how fully utilised it is. If it isn’t then "HR is a support role which aids and contributes towards, but isn’t by its very essence a source of competitive advantage"
4.6 Competitive advantage

The following findings are from the questions in the questionnaires and interviews that pertain to HR as a source of competitive advantage and as a potential source of sustainable competitive advantage for organisations in a recession.

4.6.1 – Question 13

This question directly addressed one of the researcher’s questions; in the respondent’s view was HR an important source of competitive advantage for an organisation? The figure 4.6.1 depicts the results.

![Bar chart showing responses to Question 13](chart.png)

Figure 4.6.1: HR as an important source of competitive advantage
80% of the sample population answered 'yes' that they saw HR as a source of competitive advantage for an organisation. Whilst the remaining 20% of the participants indicated that 'no' they did not believe that HR could be seen as such. The contributors were asked to provide a reason for why they believe so and below are an excerpt of the answers,

❖ "I see this question as having an answer 'Why Not?' All departments surely should contribute to the successful running of the business each in their own way. If any Dept including the HR team did not contribute then they are acting to the detriment of the organisation and as such should be addressed. HR deals with the people that make many businesses what they are today, as no one person even a twin can be directly copied to have the same experience or thought process that make one company successful. Production and delivery systems can be copied, it's the people of which HR deal with that cannot be, for this reason I have the view that HR is an extremely important source of competitive advantage to companies."

❖ "Personnel costs are significant within most organisations and are usually controllable. As such our ability to make the best use of our Human Resources Dept will directly impact on our competitiveness."

❖ "Yes, because ultimately the HR Department is responsible for sourcing the most talented people available. Without the best staff a company cannot compete effectively."

❖ "Employee morale and employer branding. Attract and retain the best employees."

❖ "Not seen at top level in our company."

❖ "As I said above, HR can be, in my opinion at least, a real advantage to the overall successful running of not only the day to day running of operations but also contributing on a higher level to the accomplishment of our organisation's goals and objectives."

❖ "Focus on people is critical for an organisation to succeed. HR needs to focus on the people dimension more closely. It needs to be in touch with the heart and soul of the business. In many instances it is not."

❖ "Yes, HR is seen to influence the human aspect of the organisation and as such has the ability to view itself as an advantage to the organisation."

❖ "Again, all depends on the size of the organisation for a valid answer."

❖ "Not from a strategic perspective."
❖ "The HR Department knows the strengths and weaknesses of each Department and can utilise their strengths for the best of the organisation”

❖ "I think a Marketing Dept can get a company's image out to the public, the HR Dept, I feel, is more important internally to a company”

❖ "If people feel they are important to a company it will firstly make it more appealing to work for the company and also retain them for longer once they are doing so”

❖ "It depends on size and role of the company, but my opinion is that yes it can be”

❖ "Our HR team is not operating as any advantage for the company”
4.6.2 – Question 14

Does having a HR Department benefit an organisation in trying to achieve a competitive advantage in your opinion was the fourteenth question asked in the questionnaire. The response rate indicated that 86.7% selected that ‘yes’ they believed that having a HR Department benefits a company in trying to achieve CA. The remaining population, 13.3%, indicated that ‘no’ they did not believe it would benefit an organisation. Figure 4.6.2 illustrates the responses on a column chart.

![Figure 4.6.2: Is HR a benefit to an organisation in achieving CA?](image-url)
This question, as with all the ‘yes’ and ‘no’ answers, was designed with a compulsory box that is aimed at asking why the respondent chose their answer of ‘yes/no’ and thus provides the researcher with additional information on why said selection was made.

Some of the answers given that support ‘yes’ are as follows, “If working with other sections to make maximum return from our investment in the workforce” or “Yes because it structures how people can perform for the company” or “As previously stated the HR Department know the strengths of each Department and have an insight into employees perceptions and therefore any problems are more evident to them” Some of the responses that support the ‘no’ selection are, “If the organisation is an upstart, having a HR function may in fact impede the rapid growth required by most businesses at the initial stages of development The importance of HR should grow with the business and should be at the top table where the function can prove its worth There is no CA to be gained where HR is primarily concerned with compiling contracts and other admin work” or “no there is no strategic link between HR and the company’s bottom line that is essential for the implementation of any advantages”

4 6 2 1 Interview Feedback

The engagement of the interviewees with this question provided the following responses One participant gave the following answer when asked if HRM could assist its organisation in trying to achieve competitive advantage over its rivals? - “Yes it could Taking my company as an example, the HR Director operates at senior management level and as such is asked for his input on decisions made, not all of them now I’m sure, but a great majority if they are
pertaining to the utilisation of the human resource function in achieving an advantage for the organisation within its sector.” An opinion shared by the company, according to another interviewee, was that “HR cannot operate in isolation. If HR is going to assist the company in achieving a source of competitive advantage then they must facilitate and assist the implementation of such an initiative with another department but cannot be the source of advantage itself, as all departments operate cohesively.”
4.6.3 – Question 15

This final question of the questionnaire asked if your HR Department is not acting as a source of competitive advantage, do you feel that there is another Department more qualified to accomplish this?

Figure 4.6.3: If HR is not achieving CA is another Department?

46.7% of the partakers said ‘no’, while the remaining 53.3% indicated that ‘yes’ there was another Department qualified to achieve this. The reasons given for the selection of ‘yes/no’ are as follows. One respondent stipulated that “All depts. should contribute to the success of the business but if in ranking next to HR I would see sales/marketing as being critical in accomplishing competitive advantage”. Another participant’s reason was “Our HR Department does contribute to the competitive advantage of our company. However, other
Departments may also contribute congruently I don’t know if it fair to say the HR or any Department operates in isolation”

4.6.3.1 Interview Feedback

There is division among those interviewed. Some of the interviewees indicated that “while Human Resources may attain a competitive advantage for the company it is essential that each section or Department should also contribute to improving an organisation’s competitive advantage” In contrast another interviewee revealed that “No, other Departments could deal with the responsibilities as effectively as HR” and that “at present, given the economic recession, HRM is in the best position to achieve a competitive edge if it can mobilise itself to deploy and utilise all the skills the company’s workforce has to its benefit” One respondent commented that “All functions in a business should provide a CA to the business. If not, what is the point of having the function in the first place?” Additionally, another interviewee was of the opinion that “I think HR is the best Department. Each Department specialises in a certain area and HR would have the most information on the company’s colleagues and would be the best Department to assess and utilise their skills”
Discussion

of

Findings
DISCUSSION OF FINDINGS

The analysis of the data in Chapter 4 provides the researcher with an assortment of opinions and views on the research topic. One thing that is striking is the difference that two opposing views of the one subject matter can accumulate - there is the potential here for additional research and exploration into this phenomenon. The Literature Review, Chapter 2, highlights that HRM is still in a position in many industries where it has to continuously prove its worth to the business and its impact on the bottom line. The Literature also identifies that HR can be utilised by firms as a source of gaining competitive advantage over its competitors and rivals (Schuler and MacMillian, 1984; Wright et al, 1994). The conclusions that can be drawn between the questionnaire and the interviews illustrates that there is a division in what impact HRM has on a business and whether HR can be seen as a potential source of competitive advantage for organisations.

Questions one through to six in the questionnaire sought to furnish the researcher with biological information on the respondents. They identified the sector, the industry, the respondent’s main role and current position. These questions also identified the length of service the participants had in their current role. Interestingly enough the highest response rate to the time employed in the current position was identified as 'less than one year' with 40% of the sample population indicating this. That is a very high percentage of partakers only new to their current position. There was no question that asked how long they were in the organisation although it is possible, that given the fact that they aren’t in the position longer than a year, some of the “unknown” responses to the questions could in fact be due to their
lack of information on the question. It is also equally possible that the reason some of the responses were unknown was due to the fact that an employee or manager simply wasn’t privy to that information and has nothing to do with their length of service in the company.

The issue of the utilisation of the HR Department raises some interesting findings from the questionnaire. With over 53% of the respondents specifying that they only use the HR Department occasionally/rarely, the question has to be raised as to why this is so? With over 26% of the population indicating that they rarely use the HR Department, how does this statistic reflect the perception of the HR Department in question? It is possible to equate this rather low percentage with the fact that management are fulfilling the role of HR for the various respondents and as such the respondents have no need to engage directly with the HR Department. However, it also equally possible that there is a culture or environment that completely skips or ignores the HR function so as to achieve quicker results and this could also explain the statistic.

These findings clarify that there is still a real need for the HR function as a whole to prove that it can, and does, impact in a positive way the bottom line of the organisation. The method in which it does so is fundamentally different to other departments such as finance, marketing and manufacturing. Its impact is on the skills, experiences and practices of the workforce who in turn can successfully be seen to add value to the business. The question that this research has raised, in terms of HR’s contribution to the business, has raised the issue of will HR ever be able to quantifiably prove its worth to the sceptics? This study will endeavour to prove that
HR can be a source of competitive advantage to firms during an economic downturn. A definite answer on this study would go a great way towards dispelling the notion that HRM is purely an administrative support system.

Another question asked of participants was "Was there a good HR presence in their HR Departments"? A high percentage, over 73%, answered "yes". The reasons that were attributed to this 'yes' response was due to a variety of different reasons but recurring themes are as follows, strong, competent HR teams or divisions and that HRM was involved at strategic level. This comment about HR’s involvement at strategic level links to another question on the same topic that the majority of the respondents indicated that they believed their respective HR Departments were involved at the strategic level in the organisation. This data shows that HR is gaining respect and in many companies is seen as operating at the top level. However, the responses from the interviews confirm the suspicions of the researcher that although the HR Department are involved at a strategic level, their position is devoid of any real influence, power or involvement. Future study on this aspect would be greatly needed. The literature in the past two decades, from within HRM, has queried does HR have a seat at the executive table? The findings here support the claim that they very well do in some organisations, however, questions can be raised is this only the case within a particular industry or does the industry have any bearing on it at all? Another question that can be raised from these findings is that even if they have a seat at the proverbial executive’s table – is it a seat of power or merely a gesture of inclusion but no input?
Conclusions
Chapter
This research explored the topic of HRM as a source of sustainable competitive advantage for organisations to utilise given the current economic climate. The aim of this research was achieved by selecting a sample population to complete a comprehensive questionnaire to a series of questions pertaining to this phenomenon. The results of this study were achieved and supplemented by the use of semi-structured interviews that added depth to the researcher's understanding on this topic whilst providing valuable insights into the findings.

**The Research Aims And Objectives**

The aims of the research were to identify what is classed as HR's value to an organisation. To describe the effect of HR's involvement, at a strategic level, in an organisation that can add value in terms of achieving a competitive advantage. To determine the factors that contribute to the perceived value of HRM as a potential source of sustainable competitive advantage. Also to investigate if Human Resources can be utilised, as a source of competitive advantage, during a recessionary period, for organisations.
Summary Of Results

The following are a summary of the findings set forth by this research,

- The response rate for the only non-obligatory question on the questionnaire received a 46.66% response rate
- Slightly over half the responses indicate that the responses work in the multi-national sector
- The industry with the highest number of participants for the questionnaires was in the banking/financial industry. The industry with the lowest participation was in the legal sector
- The highest proportion of participants are working in a 'managers' role with 33.3% of the sample
- 40% of the contributors have been employed less than one year
- 13.3% of the sample have been employed for over 10 years,
- The results indicate that 40% of the participants work within the HR Profession
- 6.7% of the population indicate to using their HR department 'Frequently', whilst, 26.7% selected only using it 'rarely'
- Over 73% of the questionnaire respondents believe that there is a good HR presence in their companies
- Approximately one fifth of the sample informed the researcher that they 'Didn’t know' if HR was involved at the strategic level
- Pay & Benefits, Fairness & Diversity and Recruitment & Selection were selected as top HR activities
• 73.3% conveyed that ‘YES’ having a HR department was critical to the success of the business

• The top ranked HR strengths the Management rely upon in a recession were, Sustain Employment and Communication

• 86.7% believe that HR is a benefit to an organisation in achieving Competitive Advantage

• Over 45% of the sample believes that there is no other department that is capable of achieving a SCA for their firm other than HR

From analysing the findings the author has concluded that HR has come a long way from where it began as personnel management with the function of protecting workers to be seen as a strategic business partner. The author believes that while HR has become more strategic now, in terms of its involvement in business, HR cannot become complacent.

The current economic climate has altered HR activities from what they would have been involved in a decade ago during the ‘Celtic Tiger’. Activities like succession planning, talent acquisition and large scale talent development plans. Whereas today’s HR Departments are faced with recruitment freezes, communicating redundancies and budget cuts. It is clear to see that HR’s popularity can be seen as directly connected with the economic environment in which the business operates. HR’s popularity is high in prosperous times, however, in down times HRM is one of the first Departments to face cut backs.

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Appendix
APPENDIX 1

Participant Research Consent Form

Title of Research project: Can Human Resource Management be a Source of Sustainable Competitive Advantage for an Organisation during a Recessionary Period?

Name and position of Researcher: Erica Tyndall, MA in HRM Research Student at National College of Ireland.

Researchers e-mail and telephone number: ericatyndall@xxxxxxxxxx.com / 087-xxxxxxx

Dear Sir/Madam

You are invited to participate in a research study designed to explore the issue of Human Resource Management as a source of competitive advantage for firms given the current economic climate. I would appreciate if you would complete the following and tick the appropriate boxes if you agree and sign the bottom of the form.

Please read the following statements and if you understand and agree to participate in this study please tick the box adjacent to the statement.

Please √

I confirm that I have read and understand what is to be my involvement and participation in this research and have had the opportunity to ask and have explained any questions I have.

I understand my participation is voluntary and that I am free to withdraw my participation at any time without consequence.

I agree willingly to participate in this study and answer all questions with integrity and honesty.

I understand that the interviews will not be recorded so as to protect my identity however the researcher (named above) will have make notes of responses.

I agree to the use of my ammonised quotes in the publication of this research.

I understand that my responses and contribution will only be used in accordance with this study and that not information will be issued to a third party without my written consent after the conclusion of this research project.

Name of Participant __________________________ Date _______________ Signature of Participant ________________

Name of Researcher __________________________ Date _______________ Signature of Researcher ________________
APPENDIX 2

Human Resources as a Source of Sustainable Competitive Advantage during a Recession?

I would like to thank you for taking the time to complete this online survey. It will take no longer than 10 minutes to complete.

*1 Where are you currently employed? (Optional)

* 2 Is your company
   - National
   - Multi-national

*3 From the following choices, which best describes your company's primary role?
   - Banking/Financial
   - Communications/Media
   - Construction
   - Electronics/Technology
   - Healthcare
   - Hospitality/Restaurant
   - Legal
   - Manufacturing
   - Pharmaceuticals
   - Real Estate
   - Retail/Fashion
   - Transportation
   - Other (please specify)
*4 Which position do you currently hold?
   - CEO
   - Managing Director
   - HR Professional
   - Manager
   - Supervisor
   - Administrative
   - General Operative
   - Other (please specify)

*5 What is your principle role in your organisation?

*6 Length of time employed in current position?
   - Less than one year
   - 1 - 5 Years
   - 5 - 10 Years
   - Over 10 Years

*7 How often would you utilise the HR department?
   - Frequently
   - Occasionally
   - Rarely
   - HR Professional - My Work Environment

*8 Do you feel that there is a good HR presence throughout your organisation?
   - Yes
   - No
   Please provide a reason for your answer

*9 What is the HR department’s involvement at strategic level in your organisation? What, if any, influence does HR have?
*10. From the following list, please rate how the HR department executes each activity:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Excellent</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
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</thead>
<tbody>
<tr>
<td>Fairness &amp; Diversity</td>
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<tr>
<td>Recruitment/Selection</td>
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<td>Employee Retention</td>
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<tr>
<td>Talent Management</td>
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<td>Training &amp; Development</td>
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<tr>
<td>Performance Management</td>
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<tr>
<td>Pay/Benefits</td>
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<tr>
<td>Promoting Health &amp; Safety</td>
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</tbody>
</table>

*11. Do you think having a HR department is critical to the successful running of a company?*

- Yes
- No

**Please provide a reason for your answer**

*12. In your opinion what HR strengths should senior management rely on during a recession?*

- Sustain Employment
- Employee Morale
- Performance Management
- Strategic Workforce Planning
- Employer Branding
- Human Talent Practices
- Communication

If your organisation utilises other strengths not listed above, please provide details of these.
*13 Do you view HR as an important source of Competitive Advantage (CA) for an organisation?

- Yes
- No

Please provide a reason for your answer, giving as much detail as possible


*14 Do you think having HR department benefits an organisation in trying to achieve a competitive advantage?

- Yes
- No

Please provide a reason for your answer


*15 If your HR department is not acting as a source of competitive advantage, do you feel there is another department qualified to accomplish this?

- Yes
- No

Please provide a reason for your answer


Once again thank you for completing this survey. All information given will be strictly confidential.

Yours sincerely

Erica Tyndall

MA Research Student
APPENDIX 3

Personal Reflection

The undertaking of this dissertation was one of the most difficult things I have done to date. The challenges were met head on and as such I have learned a great deal about how to conduct business research and have gained a great level of knowledge that I had ever believe I would.

Whilst in hindsight there is a great many things I would do differently, consistently reading current literature and researching articles is a more critical fashion from the beginning. There is a great sense of satisfaction in what I have achieved in the completion of this dissertation and that I would not change.