Exploring the HRM Process:

a Small Firm Perspective

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Declaration:

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of a degree of Doctor of Philosophy is entirely my own work, and that I have exercised reasonable care to ensure that the work is original, and does not to the best of my knowledge breach any law of copyright, and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

Signed: ________________ John Trehy ID No. 13210052

Dedication:

I would like to dedicate my PhD to my father who sadly passed away during the process.

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Abstract

John Trehy

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Given their economic and social importance, it is surprising that we still know very little about HRM in small firms. Traditional prescriptive and content based searches for a bundle of generalizable practices is less relevant for small firms given their particularistic complexities and resource constraints. Recent evidence calls for more attention to be paid to the process perspective representing the implementation/conversion/enactment process of HRM and how it influences performance. This research follows a process perspective using the Bowen and Ostroff framework (2004) to animate and afford a better understanding of how HRM is applied and rendered effective in the small firm setting.

Empirically the research involves two in-depth multi-level case studies of award-winning, knowledge-intensive, small firms. The method responds to previous research limitations and enables a more comprehensive higher-level assessment and contextualization of HRM in a smaller firm setting, including taking a simultaneous look at both content and process. Findings from 57 interviews and engagement with both organisations support the primary claims of the framework; distinctiveness, consistency and consensus features are influential in transferring the HR message to staff, whether intended or not. This is significant given that high skilled service-based staff (knowledge workers) have greater discretion over the delivery of the service. Findings suggest that process features have the potential to complement, reinforce and compensate for content (HR practices). Of particular relevance to small firms, the case evidence suggests that consistency and consensus may compensate for a lack of 'fit' and sophistication of practices, thus shedding more light on the utility of the proposed framework, the process perspective and its potential value for smaller firms. In advancing the understanding, the critical role of leadership, the context in the form of various financial pressures and employee scope to negotiate, coupled with the dynamic nature of formality/informality emerge as key themes hitherto underexplored in process research.

The implications for management practice are that a strong system supports managements' ability to close the gap between intention and implementation. Ultimately process does matter (Ostroff & Bowen, 2016), by influencing the conversion process, it illuminates how HR operates in the small firm context.

CHAPTER ONE

Introduction

1.1 Introduction

While there is little doubt over the general significance of HRM in enhancing organisational performance, the precise mechanisms by which this impact takes place remain underexplored (Jiang et al., 2012; Guest, 2011; Jackson et al., 2014), and limited in the small firm context (Forth and Bryson, 2018). Recent work has usefully distinguished between a ‘content’ perspective and a ‘process’ perspective, where ‘content’ represents the choice of HR practices (‘what’ HR practices) and their direct quantitative relationship to performance, whereas the ‘process’ perspective focuses on ‘how’ i.e. how the HR system sends signals to employees that “allow them to understand the desired and appropriate responses and form a collective sense of what is expected” from management (Bowen and Ostroff, 2004, p. 204). This distinction is likely to be particularly relevant to organisations such as small firms which may lack the finance, capacity, and resources for sophisticated HR practices (content), but nonetheless need to pay due attention to the process of successfully managing people (Marlow, Taylor and Thompson, 2010; Drummond and Stone 2007; Allen, Erickson and Collins, 2013). Indeed, an exclusive focus on the content of HR via lists of practices may miss much of what small firms do in terms of the management of people (Mc Clean and Collins, 2018). The importance of transferring the HRM message is elevated in high skilled service firms as employees have more discretion over the delivery of the service (McClean and Collins, 2011; Samnani and Singh, 2013). This research, therefore, takes a process perspective to animate and afford a better understanding of how HRM is applied and rendered effective in the small firm setting. This is in line with calls for HRM researchers to appreciate the contexts in which HRM is enacted (Farndale and Paauwe, 2018) and also finds support from advocates of the process approach who argue that the “HRM process approach is seen as a promising next step in the HRM field ……If there is one conclusion…., it is that the HRM process does matter; how it matters is uncertain. Further research is needed” (Sanders et al., 2014, p. 499).

From first impressions, it is surprising that small firms have been overlooked from HRM research (Sheehan, 2014) given their contribution to economic growth and sustainability, coupled with their status as dominant private sector employers (Allen et al., 2013). However, the neglect is less surprising when one considers the terms of reference for content research. A preoccupation with content and formal measures of HRM practices sits uneasily with the lack of HRM sophistication in SMEs (Lai et al., 2017; Harney and Dundon, 2006), their lack of resources (Sels et al., 2006; DeGrip and Sieben, 2009), their need for particularism (Gilman and Edwards, 2008) along with a widely accepted view that they are enterprises where informality prevails (Saridakis et al., 2013). Traditional mainstream HRM content research has focused on larger organisations with the hope that their findings can be more generalizable (Huselid, 1995). However, while research suggests that small firms may have limited formal training and lower compensation, they have greater satisfaction/engagement relevant to larger firms (Forth et al., 2006; Storey et al., 2010). It is suggested that their characteristics of informality, regular interaction and participation foster more satisfaction and commitment (Lai et al., 2017). The current research proposes that a greater understanding and appreciation of the nuances behind these effects or what happens in practice should provide some explanations and improved understanding. Monks and colleagues (2013) suggest that more attention should be paid to the process perspective representing the implementation/enactment process of HRM and how it influences performance.

Van Mierlo et al. (2018) highlights that process research has evolved into many strands, covering system strength (following Bowen and Ostroff's line of enquiry and framework) (see Delmotte et al., 2012; Cafferkey et al., 2018), the HRM implementation gap (more closely referred to as intended, actual and perceived HRM; see Wright and Nishii, 2013; Khilji and Wang, 2006; Nishii et al., 2008) and the role of front line managers in implementing HRM (Gilbert et al., 2011; Bos-Nehles et al., 2017; Bartram et al., 2007; Stanton et al. 2010). The research recognises that the HR system sends many signals to employees through HR practices and management actions, notwithstanding and acknowledging the psychological reality that employees bring their own social and cognitive meaning to these signals. Recognising these nuances and the possibility of multiple realities, the researcher promotes the value of a comprehensive approach in capturing multiple views from multiple actors at all levels, thus bringing many strands together in the way that was envisaged by Ostroff and Bowen's (2016) context-sensitive and higher-level proposition.

The current research therefore draws upon, but is not limited to, the process perspective in the form of Bowen and Ostroff's (2004) conceptual framework which is used as a lens to examine the value of incorporating the process features in the management of employees in small firm HR operations. For some, system strength is an independent stream under process research, while by contrast, the current research takes a broader meaning to enable exploration of multi-faceted aspects of HRM process. Guided by an analytical human resource management approach and capturing views on the intended, actual and perceived HRM, enables an improved understanding of how HRM is applied and rendered effective in the small firm context. Moreover, the content-process distinction, while increasingly recognized, has not been applied to the small firm context. The current research leverages the merits of this distinction as applied to SMEs.

Bowen and Ostroff propose that where attributional metafeatures of distinctiveness, consistency and consensus exist, it is more likely that the 'people management' (HRM) message will get transferred to employees (Ostroff and Bowen, 2016), and it is less likely that finite resources will get wasted on practices that are neither implemented as intended nor effective. While initially put forward in 2004, Ostroff and Bowen's (2016) reflection piece suggests that "researchers have not tended to examine HRM strength as a higher-level property of the HR system as originally intended" (p. 198). Research has tended to explore individual's own perceptions of HRM system strength (Delmotte et al., 2012), the frequency of HR practices (White and Bryson, 2013) and outcome measurement (Monks et al., 2013). Ostroff and Bowen (2016) recommend more direct research (eg. Sanders et al., 2008) that draws on "multiple sources of data rather than exclusively relying on aggregated employee's perceptions about each of the nine features" (p. 199). In response to demands for greater comprehensiveness (Sanders et al., 2014, Ostroff and Bowen, 2016), the current efforts enable a higher-level analysis, by examining perceptions from multiple sources.

Building from empirical shortcomings and theoretical bases uncovered in the literature, the present effort takes an in-depth qualitative approach to examine how the HRM process plays out in two successful small firms. Complementing the Bowen and Ostroff process approach, and in response to the shortcomings of existing research to capture a holistic picture, the current research takes an analytical HRM (AHRM) view to the HRM system (Boxall et al., 2010). AHRM suggests that we need to consider the 'what', 'why', 'how' and 'how well' of the HRM process and its influence on managing employees. The case study method allows for an in-depth examination of the process features enabling a comparison of views from all levels in the organisation (Guest, 2011). The aim is to provide new insights into the entire HRM system through the process lens, and it is hoped that it will "provide a more nuanced understanding of how and why such systems work" (Monks et al., 2013, p. 391).

While following a process perspective this research follows recommendations to take a simultaneous look at both content and process (Sanders et al., 2014; Cafferkey et al. 2018). In doing so, it responds also to the limitations of traditional HRM research dominated by content-based surveys. For a holistic and comprehensive approach, the researcher presents a sensitised framework for guiding the enquiry. The literature review chapters build towards the logic of this framework which is presented at the end of chapter 3 (section 3.5, p. 75).

In summary, the aim of the current research is twofold; to help shed light on the utility and value of the HRM process through the lens of the Bowen and Ostroff framework (2004; Ostroff and Bowen, 2016), and secondly, to improve our understanding of HRM in smaller firms. The study explores the role of organisational climate features on the strength of strategic implementation (Successfully transferring the 'message' Nishii et al., 2008). The rationale is that developing a strong process (enabled by Bowen and Ostroff's nine features), provides the supportive structure that guides the implementation of the organisation's goals through the medium of the HR practices. With greater system strength, the practical value is that the message is not 'lost in translation' (Bartram, 2007), there is a clearer line of sight and a more persuasive message is presented (Bryson and White, 2019), something of particular significance for the two highly skilled firms being investigated.

1.2 The Value of the Process Perspective for Exploring HRM in Small Firms

The two main bodies of literature that are key to this study come from our knowledge and understanding of HRM and small firm HRM. The literature review chapter's highlight some of the main issues with respect to HRM that remain unresolved in a small firm context. Although positive associations have been found between HRM practices and performance (Combs et al., 2006; Boselie et al., 2005), even, after "three decades of research, scholars still do not know exactly how HRM influences organisational performance" (Sanders et al., 2014, p. 490). Becker and Huselid (2010) suggest that there needs to be a "new emphasis on integrating strategy implementation as the central mediating variable in the HR-performance relationship" (p. 367). The HRM process plays a key role in the integration of strategy as the climate features can either support or undermine the successful transfer of the organisation's message. As Haggerty and Wright (2010) suggest, the process features form part of the signaling mechanisms. HRM practices are the medium through which organisations send messages to employees about what is expected of them (Haggerty and Wright, 2010), and these practices are influenced by the organisational climate features such as the perception of 'fairness', 'relevance' etc. (examples of Bowen and Ostroff's proposed features).

Wright and Nishii (2007) conclude that in order to improve our understanding of Strategic HRM (SHRM), we need to consider integrating multiple levels of analysis. They suggest that research needs to develop multi-level theories of SHRM and conduct multi-level research. In proposing the need for multi-level theories of SHRM, they promote Bowen and Ostroff's framework as the "most comprehensive attempt to integrate organisational and individual processes*"* (p.20). The current effort responds by taking a multi-level integrated case study approach in applying Bowen and Ostroff's framework.

The research explores the HRM process in two high-skilled service-based small firms, a context where a clear line of sight and the message transfer is elevated, given the discretion and influence employees have over the quality of services delivered (Samnani and Singh, 2013). The two cases are award-winning small firms in high growth phases from the same geographical region. The context enables a multi-level exploration and a highly representative sample (with over 78%) of employees from each case ensures comprehensiveness. By exploring the features in a successful small firm, it is hoped that it may provide 'general principles of commonality' for the management of work and people (Boxall et al., 2010).

Further complicating the challenge is that little is known about small firm HRM operations. The need to improve our understanding of small firms is warranted, given that they make up 99% of companies and a corresponding 66.8% of all private-sector employment in Europe (Muller et al., 2014). Nonetheless, despite this numerical significance as employers, they have been largely neglected in mainstream HRM performance relationship research (Sheehan, 2014). The literature review critically analyses the inability of empirical research to adequately unpack the HRM performance relationship (Boselie et al., 2005), and this is no different in smaller firms. In doing so, the review alludes to the *"*inadequacies of current approaches to'…. 'capture the complexity of HRM in SMEs*"* (Harney and Dundon, 2006, p. 50). The current study is novel in examining the HRM process in the small firms' context.

Early attempts to shed light on the HRM performance relationship have been dominated by desires to find the HR practices that had the strongest associations with performance, which was immediately followed by the search for the most synergistically powerful bundles of practices contributing to performance (to become known as HPWS) (for comprehensive reviews see: Combs et al., 2006; Boselie et al., 2005). This systems search for the correct bundle has come to be known as the 'content' perspective, based on the belief that the 'content' of the HR practices elicits and reinforces the desired behaviour in employees (Jackson et al., 1989). Given that small firms are "heavily shaped by contextual contingencies" (Harney and Dundon, 2006, p.50), the need for a more particularistic context-specific set of HR practices renders a content-driven approach as limited in its appropriateness and generalizability (Gilman and Edwards, 2008). Research evidence suggests that small firms adopt idiosyncratic and individualistic responses to their conditions, rendering a prescriptive or recipe list of HR practices (content) as limited in value. Given the generalizable properties of the process features, the current research examines the potential utility of the conceptual framework in a small firms' context.

Traditional survey-based examinations of HRM (Sheehan, 2014) often miss key information by assuming that small firms are scaled-down versions of larger firms (Lai et al., 2017, Harney and Nolan, 2014). Some evidence suggests that small firms have greater levels of 'well-being' (Forth et al., 2006), greater levels of 'job satisfaction' (Tansel and Gaziolgu, 2013) and more 'positive attitudes' than large firms (Bryson and White, 2019). Some of these positive attitudes are attributed to the greater scope for autonomy, freedom and discretion in their tasks which leads to greater levels of intrinsic motivation associated with greater flexibility and informality (De Kok, 2003; Bryson and White, 2019). Yet, small firms frequently offer lower pay and benefits, little training, and sometimes coercive forms of management (Bryson and White 2019). The reasons for the lack of more formalised practices may be attributable to resource restrictions and a lack of skills, and/or a strategic choice by management to rely on the informal processes that enable flexibility (Bacon et al., 1996). Accordingly, there are risks associated with the introduction of more formalised HRM which can be associated with closer monitoring and supervision, and can erode the positives of working in this context. This highlights the dangers of uncritically introducing HRM in small firms (Cardon and Stevens, 2004; Marlow, 2006). While increased formality may be seen as rational and logical, particularly for growth purposes (Lai et al., 2017), this cannot be assumed (DeGrip and Sieben, 2006). There may be significant financial and social costs associated with introducing formality (Bryson and White, 2019; Sels et al., 2006). A more considered approach that moves us beyond content focused attention on formality versus informality is therefore required to advance understanding.

A process perspective provides a new form of understanding which serves to better accommodate small firm characteristics. Indeed, the proximity of social relations and fewer hierarchal layers in smaller firms is likely to facilitate communication and increase the potential and impact of message-based persuasion (Delmotte et al., 2012). From a content perspective, the role and impact of formality and sophistication remain up for debate, with some suggesting that small firms are more sophisticated than once expected (Sheehan, 2014) Even assuming that HRM practices are viable and in existence, implementation issues arise, particularly so for small firms given the resource restrictions and lack of HRM skills generally (Van Mierlo et al., 2018; Bryson and White, 2018). Moreover, it may be the strategic choice of owner-managers not to implement formality, and instead, rely on close working relationships with employees (ie informality) (Lai et al., 2017, Sanders et al., 2014). In fact, the introduction of formality may be resisted with good reason (Kitching and Marlow, 2013).

The literature review chapters expand on the challenges and nuances by exploring small firm characteristics and considers the value of a more process-oriented perspective in enhancing understanding of the management of employees in small firms. Taylor (2005) suggests that we need to engage with HRM in small firms and critically evaluate how the concepts are operationalized rather than leaving small firms out of the debate (see also Marlow, 2006).

The process perspective is seen as an important and promising step towards shedding light on how to transfer the HR message to staff and effectively manage employees. As has been argued, “Until now, this topic has hardly been considered”, and we need to consider “how employees’ perception of the HRM process in terms of distinctiveness, consistency, and consensus can be further enhanced in an organization*”* (Sanders et al., 2014, p.500).

1.3 Research Methodology

The two high growth high-skilled small firms offer an opportunity for an integrated multi-level examination of the mediating process, hence prioritising explanation over prescription

(Boxall et al., 2010). Research limitations of the HRM performance relationship include: a presupposition of implementation as intended (Legge, 2005); measuring the ‘mere presence’ of practices (Guest and Conway, 2011); omission of employee perceptions (Verryenne, Parker and Wilson, 2013); and finally a lack of examination of the social and political complexities that permeate workplace relations (Sanders et al., 2014). The limitations of the empirical ‘content’ literature pave the way to growing calls for more in-depth qualitative rigour (Guest, 2011; Jackson et al., 2014) to unpack the reality as opposed to surface-based research (Boxall et al., 2010, p. 4). Thus a qualitative approach allows the researcher to look beyond the surface to unpack some of the complexities and intermediate linkages in the conversion process. Smaller firm size alone favours a more qualitative in-depth holistic examination of the entire process (Allen and Wright, 2010), thus, providing the opportunity to capture the impact of features such as informality, proximity, leadership and employee’s perceptions on the HRM process.

In summary, research needs to go beyond ‘surface’ level examination of the presence of HR practices (content) and tackle the complexities that exist in the conversion process. The lack of linear relationships between practices and performance, calls for more in-depth examination to capture a holistic picture of the conversion process; the integration between chosen practices, their implementation process and the perceptions of all parties involved. For comprehensiveness, this requires an in-depth examination of the social phenomena bringing together many variables that have been examined in isolation previously. Thus, creating a more integrated multi-level examination of the mediating process, where explanation is prioritised over prescription (Boxall et al., 2010), may improve our understanding of what is really going on. In order to examine these, we must consider the entire system as represented by the proposed sensitised framework seen at the end of chapter 3 (see section 3.5, p. 75). It is a visual representation of the conversion process and promotes a holistic and comprehensive approach, and novel in the sense, that very little research has examined intention, implementation, and perception in one setting. Although qualitative, the sensitised framework supports a systematic approach and promotes comprehensiveness.

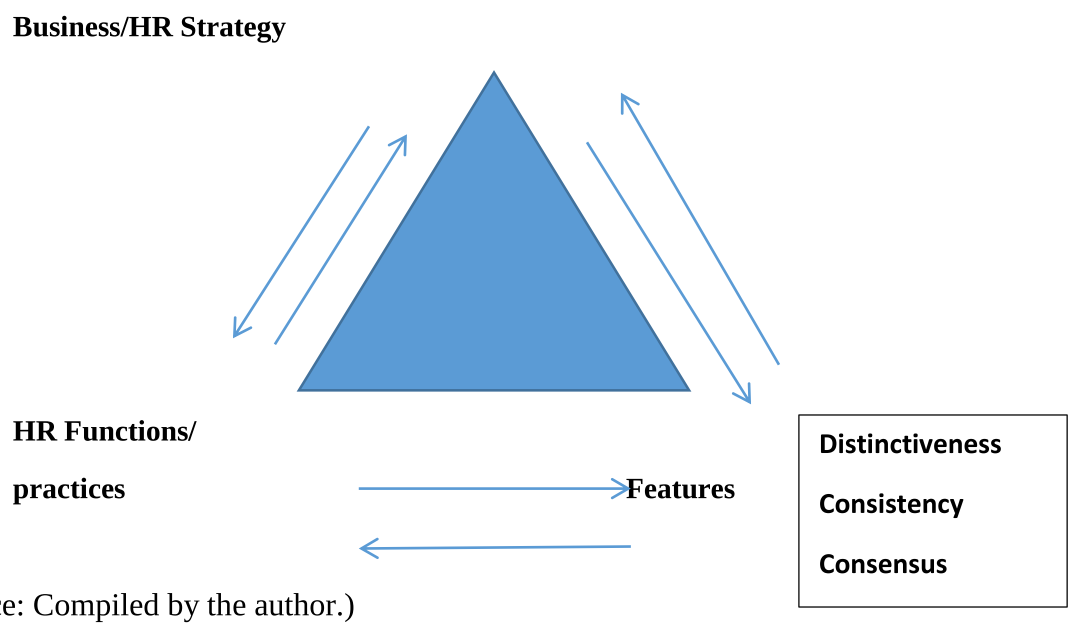
1.4 Research Question

Following a process perspective, the research question asks: how does the HRM process influence the management of employees in a small firm context?’ While this is the primary focus of the research, the value is twofold, shedding light on the utility of the HRM process and the operations of smaller firms. The HRM process is examined through the lens of the metafeatures, however, the research design template captures the intended, implemented and perceived (Nishii et al., 2008), by following an analytical human resource management (AHRM) approach for the research enquiry, thus taking a broader view than system strength alone. The multi-level analysis gathers the views of many organisational actors and captures the role of FLMs in shaping the signals sent to employees. Collings and Wood (2009) emphasise the need to “include all aspects of managing people in organizations and the ways in which organizations respond to the actions of employees, either, individually or collectively” (p.4). In its simplest form, the research sets out to examine the influence of the process metafeatures on the conversion process and how employees are managed, capturing the perceptions of many actors. In order to do so we must ask the following questions:

- Is the HR message distinct?
- Is the HR message consistent?
- Is there consensus on the HR message?

Depending on the answers to the above, we examine how these metafeatures influence in these two cases. In order to achieve this, we must first know the message to be transferred (strategy), and the medium through which it is delivered (content practices). This guides the research questions and responds to the sensitised framework (see chapter 3) promoting a holistic and comprehensive agenda. In order to capture the relevant data, the researcher is guided by the three areas identified in the triangle below:

Figure 1: Research Template



(Source: Compiled by the author.)

In order to explore the HRM process and examine the influence of the process features, the research needs to gather the relevant data, hence the objectives of the primary research become the following:

- Intentions – what practices are in place and what message are they sending to employees (covering the content perspective)
- Implementation – how is HRM (including practices) implemented or operationalised
- Perceptions – how or how well is HRM (including practices) perceived by management and employees

This allows an analytical (AHRM) approach as the what, why, how and how well are gathered, thus taking a broader higher-level view of the HRM process than system strength alone. Guided by the proposed sensitized framework (see section 3.5, p.75), the research takes a recommended content and process view (Cafferkey et al., 2018), where the approach considers management intentions, the actual practices, and employee interpretations, perceptions of and attributions for management practices and behaviours. Gathering the relevant information enables multiple levels of analysis of how the nine process features influence the successful transfer of the message (Wright and Nishii, 2007).

1.5 Contribution

Theoretically, through application, the research advances our understanding of the HRM process, its legitimacy and the utility of Bowen and Ostroff's (2004) conceptual framework. Evidence supports Bowen and Ostroff's claims that the HRM process features increase the likelihood of a common shared understanding of management's desires. Applying the logic of the framework, the holistic and comprehensive approach enables a recommended higher level contextualized view of the HRM process (Ostroff and Bowen, 2016) while simultaneously operationalising the features.

Evidence from the two case studies (CloudCo and TalentCo) support the claims that distinctiveness, consistency and consensus serve to send signals to employees, thus increasing the likelihood of collective interpretations as opposed to individualistic interpretations. From the findings, it is proposed that organisations should operationalise process features in "conjunction with the HR practices" (content) as both send signals to employees (Ostroff and Bowen, 2016, p.202). The findings, therefore, promote the value of examining content and process simultaneously (Cafferkey et al, 2018; Sanders et al., 2018; Ostroff and Bowen, 2016). As predicted (Ostroff & Bowen, 2016), the findings suggest that the metafeatures have the power to 'amplify' the message delivered by the HR practices. The evidence further suggests that the features hold power to complement, reinforce and/or compensate for HR practices (content). This opens up the potential for more informed analysis of HRM in smaller firms, as opposed to prematurely labeling them HR deficient or backward (Harney and Nolan, 2014).

From a traditional content view, CloudCo and TalentCo have similar HR practices at their disposal, however, they diverge in their approaches to managing employees, with one firm appearing more successful in their conversion, largely attributed to closer alignment of the metafeatures. Several themes emerge that influence the utility and our understanding of the HRM process. These have been hitherto underexplored or ignored in existing research. Leadership plays a significant role as 'HR sense makers' (Nishii and Paluch, 2018) and their ability to achieve consensus (agreement between managers). Leaders shape the perceptions of employees and subsequently their attention and engagement, with particular importance on small firms as the responsibility of HRM is often bestowed upon CEOs/owner – managers/senior leaders who may lack the HRM knowledge and skills, but instead rely on their close working relationships (Sheehan, 2014).

Consensus proves to be a precursor to distinctiveness and consistency, and where absent leads to fracturing and fragmentation between groups of employees as inconsistencies are exposed. The ability of the HRM process to accommodate context (Bowen and Ostroff, 2004) is questioned, as the vulnerability of small firms to external conditions is readily apparent with external pressures and critical events serving to inform how HRM operates (Morgeson et al., 2015; Farndale and Paauwe, 2018). The assumed benefits of pursuing consistency echoed in increased formality are challenging in the small firm context, as it risks undermining the value gained from individualised relations (Moule, 1998), and risks the negative perceptions associated with increasing control (Marsden et al., 2000). Finally, the impact of small firm characteristics cannot be neatly read, as they are shown to play both a supportive and preventative role in the application of distinctiveness, consistency and consensus, which is explored in the literature review chapter 3.

This study is one of the first attempts to capture the entire HRM system in a holistic sense from intention to implementation to perception (ie. conversion). By using a novel in-depth analytical HRM (AHRM) approach; it sheds light on ‘how’ HRM influences the management of employees. The AHRM view responds to Haggerty and Wright’s (2010); and Ostroff and Bowen’s (2016) call for a “more qualitative and contextual methodology”, by taking a systems/higher level of analysis to the constructs and variables that provide the intermediate links in the HRM performance relationship.

The research advances our understanding of the HRM process and its usefulness in the small firm setting and indirectly, the research sheds new light on the operations of smaller firms. Notably, the application of the Bowen and Ostroff meta-theory (2004; 2016) offers a means to animate the nature of HR processes evidenced in smaller firms. Focusing on meta-features of distinctiveness, consistency, consensus allows understanding, appreciation and accommodation in contrast to content approaches which prematurely label HRM in small firms as deficient and backward, thereby foreclosing on analysis with labels before it has begun (Harney and Nolan, 2014). The research contributes to our understanding of small firm HRM and how the process features may enable them to create stronger situations so that there is a clear line of sight and a common interpretation of what is expected with elevated importance for high skilled employees (McClean and Collins, 2018).

Methodologically, the research takes a much needed comprehensive multi-level and in-depth examination of the conversion process (Allen et al., 2013). In doing so it responds to the limitations of surface-based research that assumes HR practices are implemented as intended, applied and experienced the same by all employees (Guest, 2011). Traditional HRM content-based research fails to capture employee views and take account of the social and political complexities that permeate workplace relations (Sanders et al., 2014). The current qualitative approach responds to these limitations as it “highlights the value of drawing on many ‘voices’ when recounting what is happening in SMEs and large firms” (Forth et al., 2006, p.66), by providing a much needed multi-level analysis (Forth and Bryson, 2018; Lai et al, 2017). The limitations of a content approach are clearly accentuated in a small firm setting given their need for a particularistic set of HR practices (Gilman and Edwards, 2008). The findings promote the useful generalizable assertions of some of the Bowen and Ostroff features which focus on establishing a strong process (organisational climate) while allowing the content of practices to alter based on context-specific circumstances. For example, the perception of fairness is more important than the rewards practice, yet they both send messages, and where, in agreement, the complementary effect creates a more persuasive message (Bryson and White, 2019). Additionally, the in-depth approach allows the researcher to probe and unearth some of the tensions that exist within these cases, which sheds further light on the utility of the process features and the importance of leadership. Delving into the reasons behind workplace tensions sheds further light on the utility of the features, with one organisation (CloudCo) utilising the features more effectively to maintain positive working relationships, through greater consistency and consensus. The approach "privileges explanation over prescription" (Boxall et al, 2010, p. 4), allows us to identify and explain "what happens in practice" rather than imposing large firm ideals (normative versions of HRM) on smaller firms, potentially robbing them of their idiosyncratic resource-based advantage. It helps to contribute to the challenge of unpacking why "some things work well under some conditions and not under others" (Boxall et al., 2010, p. 5).

Practically, with the features in place, there is less chance that finite resources are wasted on ineffective practices and organisations have a greater chance of realising their strategies. The current effort begins to respond to calls for greater examination of 'how' the process has an impact on performance (Guest, 2011). It also extends, and provides a theoretical anchor, in support of Samnani and Singh's (2013) emphasis on a more comprehensive assessment and contextualization of HRM in a smaller firm setting.

In summary, through the lens of HRM as a whole and in search of a strong system, the study sheds light on the utility of the HRM process and indirectly the operations of smaller firms.

1.6 Overview of Thesis

The literature review takes an analytical and thematic approach to different phases of HRM performance literature, by concentrating on the 'content' and 'process' themes. Chapter 2 covers the most empirically supported phase of the literature; the HRM 'content' literature. This chapter focuses on the merits and limitations from both a theoretical and empirical perspective of the 'content' view. The chapter presents an argument that this systems view phase, which continues, has taken a narrow quantitative approach to examine the complexities that characterise HRM, and similarly so in small firms (Doherty and Norton, 2014). In summary, it builds towards the necessity for greater exploration of the ‘process’ phase to follow in chapter3.

The second chapter of the literature review (chapter 3) focuses on the overlooked HRM ‘process’ phase. Building on the previous chapter’s intentions, this chapter outlines a theoretical and empirical (growing) justification for further examination of the impact of the HRM ‘process’. The chapter defines what we mean by ‘process’ and presents an argument for the benefits of including the process as it influences the successful implementation of the organisation’s intentions. It provides a rationale for how the process approach responds to the limitations of the content research, by outlining the need for a comprehensive qualitative multi-respondent multi-level research approach. This chapter arrives at the conclusion, that any examination of the relationship requires consideration of the process if it wishes to uncover ‘how’ HRM influences performance. Having established the significance of the process for all organisational sizes, the review proceeds to examine the potential impact of the characteristics of small firms on the HRM process. Having argued for the merits of the process perspective, the chapter draws on the Bowen and Ostroff conceptual framework as the leading guide for examining the process influence. The entire thesis is guided by the dictum of content and process, with the literature review having a chapter on each, the methodology including both and the presentation of findings and discussion reviews the combined effect of both content and process, while enabling the research to advance/extend the value of the HRM process as integral to the system as opposed to in isolation. Seen as an important contribution, combining a content and process perspective enables a more comprehensive and informed opinion. The chapter concludes by presenting a proposed sensitised framework that guides the research enquiry, by building on the logic of chapters 2 and 3, see section 3.5 (p. 75). This expands on the logic of the sensitised framework and defends the value of comprehensiveness.

The methodology chapter 4 reviews previous methods and their limitations to provide any completeness. The justification is based on both empirical and theoretical shortcomings of existing research. In doing so, the chapter builds a rationale and justification for an in-depth qualitative approach and in particular the value of the case study method. The research design is outlined and it considers the important steps taken in the research, with a particular emphasis on the design and development of the semi-structured interviews and how they respond to the sensitised framework. This is followed by an evaluation of the methods adopted.

Chapter 5 presents the findings on the first of the two cases, CloudCo. In order to achieve comprehensiveness, the chapter begins with an overview of the organisation and its background. It then considers the organisational strategy and some of the contextual factors affecting its plans. In line with the previous chapters, a content view detailing the HR practices is presented, and this is followed by a process view that examines all of the features proposed by the Bowen and Ostroff framework. The chapter concludes with a summary of CloudCo from a process perspective, thus shedding light on its utility in this context.

Chapter 6 follows the same format as chapter 5 but presents the findings on the second case, TalentCo.

Chapter 7 is the discussion chapter and builds on the findings chapters by discussing the value and utility of the process perspective in the small firm context. It discusses the impact of the three metafeatures of distinctiveness, consistency and consensus on the conversion process. The discussion also considers some key themes (leadership, context and formality/informality) that influence the effectiveness of HRM system strength in the small firm context. The discussion extends our understanding of the features and the relationships between them. It concludes that the process does matter.

Chapter 8 presents the conclusions from the discussion and suggests a number of recommendations for future research. It also outlines the limitations of the study and suggests how the study has advanced our knowledge and understanding of the process perspective, HRM system strength and, in particular, the conceptual framework proposed by Bowen and Ostroff (2004) in the small firm context. It concludes with a summary of the key contributions.

CHAPTER TWO

HRM Content

2.1 Progress

2.1.1 Chapter Overview

The objective of this chapter is to provide an assessment of content-based HRM research, and how it supports the importance of HRM systems and their contribution to performance. In doing so it considers the road most travelled in the field of HRM research primarily in the last three decades. Although presenting a story of positive associations in the HRM-performance relationship, the chapter exposes the shortcomings of HRM content research to explain causal order in the relationship, meaning that some of the basic questions remain unanswered (Jackson et al., 2014, Monks et al., 2013; Lengnick-Hall et al., 2009). The first section covers the background to the literature and considers the definition and objectives of HRM. The second section concentrates on empirical support for the use of HR practices, and more so the importance of bundling practices and their association with organisational performance (eg. Huselid, 1995; MacDuffie, 1996). Building on the HRM content view, the third section analyses the limited and contested HRM content in small firms (Lai et al., 2017). Most significantly, the last section points to the limitations of existing 'content' focused research to explain 'how' HRM improves performance, prompting the merits of the 'process' to respond to these limitations, leading to the second literature review chapter 3.

2.1.2 Towards Definitional Clarity

Following decades of research and theorising, definitional problems still exist for HRM (Guest, 2011). However, what is commonly prioritised in most definitions and explanations of HRM is the pursuit of an organisation's goals or objectives. In its simplest form, HRM may be understood as "the management of work and people towards desired ends" (Boxall et al., 2010, p. 1), or similarly where employees "individually and collectively contribute to the achievement of its [organisational] objectives" (Armstrong, 2006, p. 3). Academics and practitioners would agree that there is a target/goal/objective in mind when managing a business and trying to get people to work towards those goals is central to any theory of managing people irrespective of size.

The concept of organising and managing people has existed for centuries and has gone through many phases (for a review, see: Wright and Ulrich, 2017; Jackson et al., 2014; Gospel, 2010; Lengnick-Hall et al., 2009). However, what remains constant throughout the evolution of managing people has been a desire to get people to behave in a favourable manner, which has fuelled the dominant design of behavioural models, especially in the 1980s and ’90s. Jackson et al (1989) suggest that the function of HRM is to ‘elicit’ and ‘reinforce’ the types of behaviour in employees that upper management requires or prefers. Whether one adopts a management philosophy of valuing employees as a cost (Hard HRM) or as an asset (Soft HRM), the objective remains the same; to get them to work towards the organisational goals. In this sense, both soft and hard approaches have a common undercurrent of control (Harney et al., 2017).

With the explicit introduction of strategy to HRM, Strategic HRM (SHRM) has provided more clarity for the intended outcomes of managing people. Wright and McMahan’s (1992) commonly used definition of SHRM is “pattern of planned human resource deployments and activities intended to enable an organisation to achieve its goals” (p. 298) or similarly others stress the synergies of “inter-linked HRM practices aligned with business strategy” (Mayson and Barrett, 2006, p. 452). Becker and Huselid (2006) highlight that SHRM differs to HRM, on a number of grounds, firstly, in that it focuses on organisational performance rather than individual performance and secondly, in that it “emphasises the role of HR management systems as solutions to business problems (including positive and negative complementarities) rather than individual HR management practices in isolation” (p. 899). This definition better reflects the systems view that is discussed in the next section and considers how the elements of the system are integrated and collectively achieve the organisations goals. A further and more up-to-date and inclusive definition of SHRM is provided by Jackson and colleagues who emphasise the “HRM systems (and/or subsystems) and their interrelationships with other elements comprising an organizational system, including the organization’s external and internal environments, the multiple players who enact HRM systems, and the multiple stakeholders who evaluate the organization’s effectiveness and determine its long-term survival” (2014, p. 2), In summary, SHRM proposes that the HRM function should be congruent with the organisations strategy (vertical alignment), HRM practices should elicit and reinforce one another (horizontal alignment) (Han et al., 2018), and HRM should take into consideration contextual and environmental factors (Combs et al., 2006; Delery and Doty, 1996; Harney and Dundon, 2006). The motivation for applying SHRM in a similar vein in this study comes from the comprehensive review of Jackson and colleagues (2014). "After 30 years of strategic HRM research, it is surprising that too little evidence and too few replications exist to draw conclusions about how HRM systems and business strategies function together. Nevertheless, the available evidence is sufficient to conclude that the term "strategic HRM" is an aspiration worth striving towards" (Jackson et al., 2014, p. 25).

Support for this logic is found in research that demonstrates where employees had a greater sense of the 'big idea' (the objectives of the organisation or message), the organisational performance was higher (Purcell et al., 2003). In order to realise vertical alignment the task then is to ensure the (strategy) message doesn't get "lost in translation*"* (Bartram et al., 2007) and therefore, the system must have the process that supports the vertical transfer (vertical alignment) (Nishii et al., 2008). This is captured via the concept of reinforcing a greater 'line-of-sight' for employees (Boswell, 2006). Line of sight consists of two components: (1) an employee's understanding of the organisation's strategic objectives, and (2) their understanding of how they could contribute to the objectives. Boswell's (2006) research discussed how certain employees, such as those higher in the organisation with longer tenure, had a greater line-of-sight to the organisation's strategies. The research concluded that "breakdowns in employee line-of-sight reduce the likelihood of effective SHRM implementation" (Lengnick et al., 2009, p. 76). In a similar vein to the concept of the line-of-sight, recent work acknowledges that the HRM system (made up of practices) sends signals to employees about what is expected of them (Haggerty and Wright, 2010). By way of example, a bonus paid for a low-cost initiative by an employee signals a positive reinforcement of a low-cost organisational strategy. This is where the value of the Bowen and Ostroff process framework (2004) can be seen as they present a set of meta-features, which, where present, will provide the supporting climate to strengthen this line-of-sight, thereby reinforcing the organisations goals through collective shared perceptions.

Irrespective of the emphasis of different definitions of HRM and SHRM, agreement is reached on the basic objective of people management. The next section of the literature review considers how this has been translated into action through the choice of HR practices, the medium through which the goals of the organisation are conveyed to employees as practiced by management (Haggerty and Wright, 2010).

2.1.3 Evolution and Development

Given the expected and positive associations between HRM practices and performance, it is not surprising that the systems view has been the road most travelled. This section considers the merits of the systems view but also reviews a lack of clarity and an inability of empirical research to explain causal links. In doing so, the chapter starts to build towards the rationale for a process perspective.

The systems view reflects part of the difference between HRM and SHRM in that it incorporates organisational performance rather than individual performance and a bundle of practices rather than isolated individual HR practices (Becker and Huselid, 2010). In fact, the view is that the HR practices as a system provide the 'content', the HR practices are the medium through which employees get messages about what is required of them. HRM 'content' can be described as "the specific set of HRM practices necessary for achieving an organisational goal" (Bowen and Ostroff, 2004, p. 204). The thought process behind this view is that the practices synergistically accumulate to create either a 'positive bundle' or a 'deadly combination' (Boxall and Purcell, 2011). A 'positive bundle' synergistically produces more than the individual practices acting in isolation, whereas the 'deadly combination' occurs when practices negatively affect the benefits of another practice e.g. teamwork policy combined with individual rewards. Empirical studies concentrated on how to devise this positive bundle (they must complement one another to achieve the business strategy (Delery and Doty, 1996)) that would, in turn, lead to increased performance. An example of these bundles would be High Performance Work Practices (HPWS) (Pfeffer, 1998). There are no doubts over the positive correlation between the existence of certain HR practices and performance (Huselid, 1995; Pfeffer, 1998; MacDuffie, 1995; Delery and Doty, 1996; Combs et al., 2006), albeit modest associations (Guest and Conway, 2011). From two decades of research, extensive evidence suggests that HRM practices ('content') impact employees knowledge, skills and behaviour and subsequently organisational and financial outcomes (Boselie et al., 2005; Collins and Clark, 2003; Combs et al., 2006; Jiang et al., 2012).

The merits of the content approach are evident and they contribute to the discussion of 'what' practices may contribute to performance. The systems view forms the basis for Delery and Doty's (1996) taxonomy and widely accepted modes of theorising SHRM: namely; The Best Practices approach (aka Universalistic perspective); and the Best Fit approach (aka Contingency perspective). The universal perspective proposes that the adoption of 'best practices' may have a universal positive affect on performance of organisations, and therefore, a set of best practices was sought that would have universal effect (Delaney and Huselid, 1996; Delery and Doty, 1996). Early views of the perspective implied that best practices had cumulative properties, meaning an increase in usage would increase performance (Becker and Gerhart, 1996), and promoting a 'more is better' hypothesis in small firms (De Winne and Sels, 2013).

The contingency perspective posits that there should be alignment between business strategy and HRM practices (vertical alignment – VA) and between practices themselves (horizontal alignment – HA) (Delery and Doty, 1996; Lepak and Shaw, 2008). Having vertical alignment ensures the capturing of the external perspective/context making it theoretically appealing (Michie and Sheehan, 2005). Empirical research found positive support for vertical fit (Chow et al., 2008), however, capturing both vertical and horizontal fit simultaneously has proven difficult (Lengnick-Hall et al., 2009); for one recent exception see Han et al. (2018). Although challenging, exploration of fit has proved rewarding, with greater fit seen to have a positive impact on performance (Samnani and Singh, 2013). The present research is aligned more with this contingency view.

A further SHRM perspective, the Resource Based View (RBV) has its origins in strategic management literature, and the view posits that an organisation needs some resource that provides it with a distinct/sustainable advantage (Boxall and Purcell, 2011). The theoretical rationale is that human resources have the potential to be these strategic resources (Wright and McMahan, 1992; Harney and Trehy, 2016). Wright et al. (1994) propose that, in order to achieve sustainable competitive advantage, an organisation must have a resource(s) that is either valuable, rare, inimitable and/or non-substitutable. Given that employees are unique individuals, they prove difficult to replicate (Wright et al., 1994; Harney and Trehy, 2017). Becker and Huselid (2010) suggest that RBV theorists accept that "the ability to implement strategies is, by itself a resource that can be a source of competitive advantage*"* (Barney, 1991, p. 54). They suggest that this implementation challenge should be given similar prominence in SHRM theory. Following this, they propose that the HR system-performance relationship is not as direct as previously assumed in SHRM literature, a shift needs to occur to examine the implementation process, which may in effect prove to be the true resource advantage, given its complexity.

Research has taken a narrow view to examine the HRM system, given that an organisation is a complex system of interrelated elements and these elements have the potential to create synergies that yield a "whole that is more than the sum of the parts" (Jackson et al., 2014, p. 3). The elements comprising the HRM system include HRM philosophies, policies, practices and processes (Jackson et al., 2014; Monks et al, 2013). However, empirical research has concentrated on the HR practices while generally failing to incorporate all of these other elements in a systems view, and thus future research needs to take a more 'comprehensive' view including these other elements (Jackson et al., 2014, p. 24). This view of the system emphasises the early seeds of HRM (Jackson et al., 2014) and forms the basis for the discussion and inclusion of the HRM 'process'.

In summary, the HRM content research follows the premise of the behavioural perspective (reflective of the prescriptive models; Guest (1987); Schuler and Jackson (1987)). The assumption is that the HR practices will elicit and reinforce the desired behaviour, while logical and well justified theoretically by the prescriptive models, the empirical research approaches were limited in their investigations with the preoccupation of examining for the 'mere presence' of practices irrespective of their implementation and/or effectiveness (Guest and Conway, 2011). The merits of the content approach are evident and they contribute to the discussion of 'what' practices may contribute to performance, however, the level of impact of practices is influenced by the process; driving the recent shift to focus on the process as epitomised by the 2014 HRM Journal's special edition devoted to the process perspective.

The study adopts the contingency perspective as a frame of reference to examine the influence of the HRM process. The study suggests that knowledge of the content view is a prerequisite to a comprehensive examination of the influence of the process perspective (Sanders et al., 2018). Although not linear as once assumed, it is an accepted view that HR practices (content) can have a positive influence on performance. However, this may be more challenging for small firms as they lack the same access to HR skilled professionals and resources as larger firms. We now consider the content view more closely with respect to small firms.

2.1.4 HRM Content in SMEs

Based on traditional survey-based research, an HRM content view is challenging in the small firm context, as they do not have the same levels of sophistication and formality that one would expect in large firms (Lai et al., 2017). Given that small firms are characterised by resource restrictions, greater environmental uncertainty, and short term challenges, it is not surprising that management is more informal (Marlow et al., 2010), reactive and short term focused (De Kok et al., 2002). Absence of HRM skilled professionals means less explicit and documented rules, policies and procedures that are traditionally found in large firms' research (Forth and Bryson, 2018). Therefore, the opportunity for traditional and normative HRM content research is limited in small firms as they have different structures, working practices, and management often rely on "informal rules, unwritten customs and tacit understandings" (Lai et al., 2017). Proximity facilitates regular employer and employee interactions and social exchange which prove central to the employment relationship (Kitching and Marlow, 2013), From an HR perspective, this does not necessarily mean small firms are less effective or less efficient; informality might actually foster job satisfaction and employee commitment (Lai et al., 2017).

There is some evidence that there are positive outcomes to the introduction of HRM in small firms (Forth and Bryson, 2018; Bryson and White, 2019), however, when one drills down into the evidence, the literature cautions against the assumed benefits of introducing formalised HRM. On the one hand, investments in formality of practices such as training are associated with improved skills and career opportunities and a sense of commitment by employers to employees (Saridakis et al., 2013). Contrastingly, evidence suggests that the benefits of formality may be undermined by the perceived increase in monitoring and control (Allen et al., 2013). This section now expands on the nuances in small firm HRM content research and returns to these in the second half of chapter 3 by also considering how the HRM process is affected by small firm characteristics. For example, understanding, accommodation, and appreciation of process features such as fairness, understanding, and agreement between HR decision makers could reduce the scepticism that may ensue from introducing more formality.

It is widely accepted that "given their resource limitations, small and medium-sized firms have fewer options than their larger counterparts to improve performance. However, one resource that is common to all organisations, which has been the focus of increasing theoretical, empirical and practical attention in small and medium sized enterprises (SMEs), is that of human resources*"* (Sheehan, 2014, p. 545). With this in mind, small firm research followed large scale research (Doherty and Norton, 2014) by focusing on HRM 'content', as is clear from one of the most comprehensive reviews of small firm HRM (Cardon and Stevens, 2004). Similar to the arguments presented above small firm scholars have suggested that adopting specific HRM practices can improve small firm performance and competitiveness (eg. Bryson and White, 2019; Michie and Sheehan, 2008; Patel and Cardon, 2010; Razouk, 2011, Sheehan, 2013).

Growing evidence has found a generally positive effect of HRM practices on performance in SMEs (Forth and Bryson, 2018; Bryson and White, 2019; McClean and Collins, 2018), however, the characteristics of SMEs render the traditional approach taken for assessment e.g. large surveys as less appropriate in smaller firms (Sheehan, 2013). Way (2002); Verreynne et al., (2013); Razouk (2011); Allen et al. (2013) and Messersmith and Guthrie (2010) found positive evidence of the existence of and relationship between high performing work systems and performance in SMEs. Patel and Cardon (2010) found a positive impact of the adoption of HRM practices in SMEs, however, they note the impact changes based on both external and internal conditions, hence, promoting the need to include a best-fit approach (Vertical Alignment (VA) and Horizontal Alignment (HA)). Although most evidence is positive for an HRM performance relationship in SMEs, the current study's objective is to shed more light on how the HRM process influences the management of employees, albeit through the medium of the HR practices (content). Sheehan (2013) suggests that greater understanding of the HRM performance relationship is required in small firms, given their limited resources.

There is debate over the level of formal and sophisticated HRM within small firms. This is an important debate given the heavy emphasis on empirical research placed on measuring the 'content' (presence) of HR practices in organisations and its relationship to performance. Small firms may be potentially disadvantaged in this regard, as it is generally accepted that smaller firms are less likely than larger firms to employ HR specialists/expertise (Forth and Bryson, 2018; Forth et al., 2006; Boxall and Purcell, 2011). Therefore, this highlights a limitation of small firms to adopt normative best-fit versions of HRM or best practices, because of the lack of HRM skills that characterise small firms in general (Marlow, 2006). HRM in small firms may be viewed as "emergent, flexible and loosely structured ... there is an absence of informed professional HR management .. .and contemporary and appropriate

HR policies and practices are unlikely to be in place" (Marlow, 2006, p. 5). Similarly, "a necessary condition for HR practices to be valid is the presence of HR expertise" (Delmotte et al., 2012, p. 1501). Given this prerequisite, smaller firms may be at a disadvantage from the offset due to their lack of expertise (Verreynne et al., 2013).

On the contrary, some of the most comprehensive reviews of HRM in SMEs is based on the WERS 2004 and 2011 surveys which found greater evidence of formal HR practices than was anticipated (Forth et al., 2006; Forth and Bryson, 2018). Sheehan (2013) suggests that it is now widely acknowledged by practitioners that ".. SMEs are more advanced in people management than many believe …" (Sparrow, 2006), and to assume HR practices are "informal, is no longer applicable" (p. 546). Sheehan (2013) also found "that investment in the selected human resource practices has significant positive effects on performance", hence support for the HRM content approach to improving performance, yet they acknowledge that their research does not tackle the limitations of existing research to explore the black box of the "how and why of the relationship between HRM and performance*"* (p. 563). Sheehan (2013) directs criticism at research methods, alluding to the lack of research establishing causal order. She also concludes that the relationship between HRM and performance remains under-researched in small firms.

Gilman and Edwards (2008) highlight the insufficient measurement of practices and processes in traditional HRM research of small firms, as the information is normally gathered in HR departments which rarely exist in the small firm context. In general, there has been an acute shortage of research analysing the relationships between strategy, HR practices and performance in small firms (Chandler and McEvoy, 2000). Verreynne et al. (2013) add that any examination of "employee commitment, communication, interaction and participation are assessed, both in research and practice, at the employee level*"* (p. 424). They suggest that this is a basic research requirement in all organisations, and even more so in small firms characterised by informality; employees are the ones that effectively understand the systems where informality is "understood best by those who enact them" (p.424). Moreover, the impact of HR practices on employees in small firms is more direct and transparent due to firm size and proximity to management.

Cardon and Stevens (2004) take a comprehensive review of the presence of practices in SMEs, and found a high incidence of informal HRM, rendering the examination of HRM performance relationship challenging and difficult within the SME context. Sheehan (2013) suggests this survey-based approach measuring the presence of practices is unlikely to capture the important role of the informal HRM in SMEs. Sanders et al., (2014) highlighted the need to include the informal economy as it shapes the climate and process. As discussed earlier in the chapter, an exclusive focus on formal intended practices does not equate to effective implementation for many reasons including the role of front-line managers (FLMs) (Legge, 2005; Bowen and Ostroff, 2004; Guest and Conway, 2011; Harney and Jordan, 2008; Sheehan, 2013).

Recent evidence suggests positive benefits to the introduction of formal management practices (Bryson and White, 2019; Wu et al., 2015; Bloom et al., 2014; Sheehan, 2014). Forth and Bryson's (2018) comprehensive longitudinal examination of the datasets from the 2011 WERS reports suggest that while smaller firms are less likely to use formal management practices, performance focused HR practices such as training and incentive pay has positive effects on growth and productivity. Less use of HR practices can be attributed to resource restriction (either a lack of HRM knowledge and skills) or a strategic choice by management (Forth and Bryson, 2018; Kitching and Marlow, 2013). Management may wish to hold onto the individualised relationships that are enabled by informality (Moule, 1998). Although formal management practices assume homogenous benefits, the heterogeneous nature of small firms suggest HR practices may be "inappropriate and possibly even harmful, to SMEs" (Bryson and White, 2018, p. 7).

The close networks and working relationships that exist between managers and employees in small firms enables the sharing of information and knowledge without the costs of formalisation (DeGrip and Sieben, 2006). Further, Gilman and Edwards (2008), found apprehension and often resistance to formality in their high tech cases. Informality can be associated with more autonomous work and fewer controls as discussed above, however, caution is advised as the negatives can be proprietor's "unconcern about workplace regulations, arbitrary treatment of employees, and favouritism" (Bryson and White, 2019, p. 753).

The debate over whether practices are more formal (Sheehan, 2013; Way, 2002) or more informal in small firms (Cardon and Stevens, 2004) tends to oversimplify the complexity involved. Formal implies greater sophistication and investment, however, from the deeper investigation, the system is much more complex. Studies such as Marlow (2002) and Gilman et al. (2002) found a degree of 'over-claiming' and 'mock formality' existed in SMEs, which was attributable to the desire to avoid the use of formal procedures where possible, and maintain their own (flexibility) individualistic management approach to the employment relationship. While seen as a necessity for growth, evidence suggests that small firms with high levels of satisfaction may not need formality of HRM, in fact, it may be perceived as a controlling mechanism (Bryson and White, 2019). Additionally, given that small firms are more context-dependent, they need to be more dynamic and 'fluid' (Forth et al., 2006). The need for small firms to adopt a context 'distinct bundle' (Drummond and Stone, 2007) or a 'particularistic' set of HR practices (Gilman and Edwards, 2008) suggests that an over-concentration on the content of 'what' practices is of limited value.

In an extensive examination reviewing the contested formality of HRM practices, in small firms, Lai et al. (2017) conclude that balancing the levels of formality with informality, although challenging is highly recommended. Positive evidence for the introduction of formalised, the 'more is better' view (De Winnie and Sels, 2006) had negative consequences in small firms that had high levels of job satisfaction pre-introduction of formality, by eroding the motivation enhancing and positive work attitudes from flexibility, freedom and participation associated with informality (Edwards and Ram, 2010). However, in environments where job satisfaction and organisational commitment was low, the introduction of formality was perceived positively as an investment and commitment to staff and their development, thereby creating a sense of fairness and common interests (Saridakis et al., 2008). "Perhaps the key challenge for SMEs is to introduce an appropriate level of formalisation to manage effectively and improve firm performance while not damaging or disregarding the potential benefits of informality" (Lai et al., 2017, p. 483).

In conclusion, size is not a "determinate of HRM" (Ram and Edwards, 2003), and "all firms have some form of HR, even if informal" (Cardon and Stevens, 2004, p. 317). Given the assumed lack of sophistication and presence of practices in small firms, it is not surprising they have been left out of mainstream content fuelled research of the HRM performance relationship. More importantly, we still do not know, "How do HR practices integrate and interact within SMEs?" (Cardon and Stevens, 2004, p. 317). Small firms warrant further examination and hold insights given their potential size-related advantages in terms of improved line-of-sight:

‘*the management of human resources is likely to be administered very differently in smaller firms than larger firms. Often, the responsibility will fall on the organisation’s executives and individual managers. This has the potential to lead to greater vertical integration between firm strategy and human resource practices*’ (Sheehan, 2013, p. 548).

2.2 Challenges and Limitations of Content Research

The objective of this section is to outline the shortcomings and limitations of the existing dominant ‘content’ driven research approach to shed light on the causal links in the HRM performance relationship, and in doing so, it presents the merits of the process perspective to respond to these shortcomings. The content-driven approach has been preoccupied with the identification, measurement and correlation between (‘what’) HR practices and performance, to the exclusion of just ‘how’ the HRM process affects performance (Guest and Conway, 2011).

It is important to reflect that many prescriptive models such as Guests (1997) model and Schuler and Jackson’s (1987), assume that the choice of HR practices prescribes the likely behaviour and subsequent performance of employees, which is the driving force for the quantitative approach measuring the ‘mere presence’ of practices that dominates empirical research of the relationship. Importantly, the HR practices are the medium through which employees get their message and signals about what is expected of them. The merits of the content approach are evident and they contribute to the discussion of ‘what’ practices may contribute to performance, however, the level of impact of practices is influenced by the process. In order to examine the entire system holistically, it is imperative to include the content (ie ‘what’) of practices, so that one can examine ‘how’ and ‘how well’ the conversion process works.

2.2.1 Limitation 1: Implementation and Effectiveness Issues

One of the first limitations of the content perspective is that it presupposes implementation as intended (rhetoric v’s reality debate; Legge, 2005), when in effect evidence suggests that there is frequently a gap between management’s intentions and actions (Wright and Nishii, 2007; 2013; Boxall and Purcell, 2011) and employees’ interpretation of same (Geare et al., 2014). Khilji and Wang (2006), Purcell and Kinnie (2008), and Purcell et al., (2003) suggest that we need to consider this implementation problem in the relationship and not assume implementation as intended nor assume the same effect of practices on all employees. It is understandable that there remains an inconclusive *causal* link in the HRM performance relationship given the doubts over implementation.

Lengnick et al.'s (2009) review of the evolution of the field of SHRM, suggests that the gap between intended and realised strategies may account for the inconsistent findings in the SHRM literature, which have often relied on intended HR strategies rather than human resources strategies that were actually implemented. Khilji and Wang "argue an analysis that ignores a distinction between intended and implemented HRM is unable to present valid findings by failing to explain the real situation in the organisation. It is clear that understanding the HR-performance relationship first and foremost requires a detailed analysis of intended and implemented HRM" (Khilji and Wang, 2006, p.1174). Although this argument is 12 years old, it is still being called for and only recently being addressed.

An important consideration with implementation is the respondents in quantitative research as highlighted by Boxall et al., (2010), Doherty and Norton, (2014), and Marchington (2015). They summarised the HRM-performance literature and found a common weakness of research involves the questioning of a single respondent from each organisation, with a concentration on either high-level managers or HR professionals. High-level managers are far removed from the perception of the employees and their satisfaction with HRM, therefore lacking an appreciation for the impact of the HRM practices on employees (Bainbridge et al., 2017). Bos-Nehles and Bondarouk (2012) call on work by Regner (2008), suggesting the need for examining both employees and line managers understanding of the HRM practices and system, to shed light on the intention implementation gap.

In contrast, Sheehan (2013) argue for the merits of examining top-level managers given their level of political influence and support in successful adoption and implementation of SHRM. Bartram et al. (2007) examined the perceptions of SHRM amongst top management (CEO's, HR directors and senior managers) in 132 Australian Public Health Care providers and found significant differences in perceptions of SHRM and HR priorities. They suggested that the SHRM paradigm can be "'lost in translation', particularly in large organisations" (p. 21). Lengnick et al. (2009) questions the value of examining a single respondent although high level by referring to the Bartram et al. (2007) study. They suggest that the problem is that management may not be all *"*singing from the same page", prompting the need for more research into the implementation challenges between intended and realised SHRM practices. In larger firms with the increasing role for line managers, these intended HR strategies may not be realised, they may, in fact, be lost in translation (Bartram et al., 2007). In the Bartram and colleagues study, there was an obvious lack of 'agreement amongst decision makers' and consistency of application (Bowen and Ostroff features).

Khilji and Wang (2006) supported Gratton and Truss (2003); Legge (1995); and Truss (2001), in that the gap between 'intended' and 'implemented' practices affects the influence on the HRM performance relationship. They further highlight "that it is employee satisfaction with HRM, not the mimicry of HR practices, that translates into improved organizational performance" (Khilji and Wang, 2006, p. 1185). They introduced Wu's (1997) construct of *desired HRM,* where practices match the preferences of employees which, will provide an added value to their implementation. They believe that desired HRM combined with implementation will provide potentially positive reinforcement of HR practices (similar to Kelley's Attribution Theory, see Bowen and Ostroff (2004)). Expanding on the notion of employee satisfaction with HRM, Bos-Nehles and Bondarouk (2012) highlight that a stronger system (climate) will be achieved by the inclusion of employees in the design of the system rather than it being a hierarchical enforcement, due to greater shared perceptions. There is evidence to suggest that employees have high levels of involvement in SMEs (Forth et al., 2006); this may indicate strength in the process by virtue of inclusion, thus resulting in greater shared perceptions.

One particularly relevant dimension for understanding the intention-implementation gap is the level of formality versus informality. It is reasonable to suggest that formality may lead to increased distinctiveness, consistency and consensus (components of Bowen and Ostroff process strength) as more rules and procedures (increasing the number of HR practices – visibility feature) may reduce 'fuzziness and ambiguity' (Nadin and Cassell, 2007, p. 434), potentially closing the gap between intended and implemented HR practices. It is, however, wise to avoid presupposing formality is implemented as intended and "although an organisation might have more formalised practices, "the 'way' policies were implemented was at times found wanting (Harney and Dundon, 2006, p.60). Gilman and Edwards (2008) refer to Taylor's (2005) findings that "informality of practice" may differ from "formality of intent", and "that the mere presence of a practice does not point to a sophisticated use of it" (Gilman and Edwards, 2008, p. 533).

In summary, the theory is evolving from just measuring the presence of HR practices (content) and their 'bundling' (Huselid and Becker, 1997) to the difficulties in the implementation of HR practices, the effectiveness and the integration of the system. These difficulties are fuelling the increasing focus on the process and perceptions (attribution theory) and implementation of HR practices over the traditional content approach (Cafferkey et al., 2018; Piening et al., 2014; Sanders et al. 2014; Pavlou, 2011; Guest and Conway, 2011; Nishii et al., 2008; Stanton et al., 2010), thus promoting the value of a multi-level analysis (Allen et al., 2013).

Traditionally, research has tried to quantify the results of having certain HR practices present, but there is a recent move to examine the area in more depth using an ethnographic approach (Samnani and Singh, 2013; Cushen and Thompson, 2012). This approach provides a more 'holistic' view of HRM (Samnani and Singh, 2013), which is more likely to capture the social complexities and perceptions in the implementation and effectiveness of HRM content. The present intensive qualitative case studies address recent calls for a more qualitative approach (Guest, 2011; Jackson et al., 2014; Monks et al., 2013). Having exposed some of the implementation limitations, the next section considers the role of front-line managers (FLMs) in the process.

2.2.2 Limitation 2: Exclusion of Front Line Managers (FLMs)

A second limitation of the content perspective and a continuation of the previous intention-implementation issue, is the preoccupation with measuring the "mere presence of practices that may or may not be of high quality and may or may not be applied with enthusiasm by managers at all levels" (Guest and Conway, 2011, p. 1697). Nishii et al. (2008) suggest that we need to include manager's views as they are a potent force influencing employee perceptions, "It is line managers, not HR managers who implement HRM" (Guest and Conway, 2011, p. 9). The increasing role of FLMs is now 'received wisdom' in Europe (Holt Larsen and Brewster, 2003) for two major reasons outlined by Gunnigle et al. (2011): one is the growing emphasis on devolving HR responsibilities to FLMs (Marlow, 2002) and two; being the growth of individualised employment relationships. Guest (2011) highlights the need for more examination of the role of line managers as they are the implementers: "It is often observed that there is a gap between what is formally required in HR policy and what is actually delivered by FLMs" (Purcell and Hutchinson, 2007, p. 3).

FLMs shape the impact/influence of chosen intended HR practices on employee's perceptions. Context permitting, FLMs may be responsible or partially so for the choice of the 'content' of HR practices, however, they play the lead role in 'how' they are implemented and perceived. Therefore, they play an increasing role in the strength of an employee's line-of-sight (Boswell, 2006), essentially how the organisation sends signals to employees about what's expected of them (Haggerty and Wright, 2009). Boxall and Purcell (2011) highlight the importance of the mediating role line managers play in the relationship, as the HR practices that employees "perceive and experience will be heavily influenced by the quality of their relationship with their direct manager" (p. 248), where managers are rated highly (legitimacy of authority feature), it leads to more committed and satisfied employees (Purcell et al., 2003). In fact, it has been suggested that employees are more cognisant of line managers wishes than higher-level strategic issues (Teo and Rodwell, 2007). Interestingly, calling on the work of Becker et al. (1996), they found a stronger relationship between commitment to a supervisor and performance than between commitment to the organisation and performance.

It is reasonable to suggest that HR systems may be best understood by those that enact them, thus leaving the views of FLMs out of any examination of HR systems is unwise. The role of FLMs cannot be underestimated and in returning to the heart of the HRM performance relationship, the 'black box' mystery arose from the lack of a causal chain attributable to insufficient knowledge of 'how' HR intended practices are enacted and interpreted/perceived by employees, thus resulting in either positive or negative behavioural outcomes.

The signalling effect (Haggerty and Wright, 2009) is at the discretion of the FLMs whether it be formally through rules and procedures or through informal social exchange, nevertheless, they are responsible for how their behaviour sends signals to employees of what is expected. There is no "guarantee that line-managers will not by-pass higher-level HR management policies" (Dorenbosch et al., 2006, p. 280). In fact, Harney and Jordan (2008) found that the team leaders ameliorated some of the negative aspects of HR practices implemented in call centres. Elsewhere senior management attributed poor employee engagement to line management for failing to 'deliver the message' of the benefits to working in the organisation (Cushen and Thompson, 2012).

The role of FLMS may be extended in small firms given the lack of HR professionals and/or HR managers in small firms (Forth et al., 2006), therefore, they may have to take on more responsibility. There is a danger associated with this given that managerial incompetence in handling HRM issues is a major source of small firm failure (Hornsby and Kuratako, 2003). It is not surprising "As the line managers carry out the HR function without being centrally steered by the HR department, managers are forced to 'muddle through' by informally using the HR practices they deem helpful in coping with the work environment" (Piening et al., 2014, p. 555). Purcell and Hutchinson (2007) suggest that if we want to improve organisational performance as much as possible, then we need to pay particular attention to FLMs as a group as they have numerous competing responsibilities and priorities**.**

Recent commentary suggests the "question of what roles and behaviours line managers should perform in order to signal concern for well-being is receiving growing attention" (Sanders et al., 2014, p. 492). Line managers are influential in the "informal economy" (Academy of Management conference theme, 2012) presenting the question: "can formal HRM practices be interpreted as distinctive where contradictory or inconsistent messages are signalled by their informal counterparts?" (Sanders et al., 2014, p. 496). As discussed elsewhere, informality characterises HR systems in small firms (Sheehan, 2014), thus heightening the role of line managers and prompting the need for in-depth enquiry.

Dorenbosch et al. (2006) refer to several studies in highlighting a lack of clarity and consensus on the strategic role of HR within their sample studies. Line managers tended to underrate and HR professionals tended to overrate the strategic importance of and their roles in HRM. This lack of clarity may 'blur' the message sent to employees and question the perceived legitimacy of authority endangering the potential for shared perceptions (p.280). Expanding this phenomenon, they hold line managers responsible for the communication of those HR policies and practices as perceived by employees. However, if line managers are unaware of their responsibilities and the role they play, it may limit success as they "muddle through" (Piening et al., 2014, p. 555), often contributing to the gap between the intended and enacted policies; causing a breakdown in the transmission of the HR message (Dorenbosch et al., 2006). Importantly, Dorenbosch et al. (2006) found a positive relationship between HR and line management consensus, and the commitment of employees, although they failed to compare employees' views with line and HR management. Thus there needs to be support and commitment to management in the implementation process (Khilji and Wang, 2006).

Whitaker and Marchington (2003) suggest that greater attention and training is needed for line managers, "There are real dangers that long-term strategic advantage could suffer if line managers are expected to take on board all responsibilities for people management in addition to their other commitments" (p.259). Line managers are well placed and influential and "the value of a personal touch and well-established interpersonal relations cannot be ignored" (p259). Whitaker and Marchington (2003) summarise previous authors suggesting that there is support for and against line managers taking the responsibility of HR. Those in favour of devolving responsibilities suggest that these line managers are closest to the employees and are in the best position to adopt the most appropriate HR styles. However, those against line managers playing an increased role suggest that these line managers have other more demanding responsibilities and lack the necessary skills, hence, the suggestion for more training of line managers. Striking a balance between expertise and the importance of personal relations is challenging but significant. Significantly, the role of leaders and senior managers is elevated in small firms as they are most likely the implementers given the accepted shortage of HRM skilled professionals employed in this context (Sheehan, 2014). As mentioned earlier, Cardon and Stevens (2004) suggest that small firm owner/managers may not understand what HRM actually means, therefore, the 'personal touch' may be an important factor in realising intended strategies. Similarly, DeGrip et al. (2009) found that personal relations between the employer and employee was more important than HR expertise and technical skills.

FLMs create the environment (the social construct) in which people operate (behave and work). Social identity and social context theory suggest that employees will bring their own social cognition system (of beliefs and values) to a work environment but this will be inevitably influenced by the group and organisational identity in which they exist/operate. They cannot be taken out of their social context, they are sensitive to their context and influenced by their context (Alvesson et al., 2008). It is not a matter of summating the individual cognitions that employees bring to the situation but the socially acquired cognitions created in the work environment are shaped by line managers. FLMs invariably influence this context and therefore, they cannot be left out of the equation.

The concept of the psychological contract encapsulates the importance of the social exchange in the employment relationship and where perceived to be strong leads to organisational commitment and increased performance (Cafferkey et al., 2018). This widely accepted concept cannot escape the role played by the line manager in the formation of the psychological contract. Line managers are responsible for the message, and when the message becomes mixed and employees and employers expectations are not matched, then the relationship will be negatively affected, in turn affecting performance (Guest and Conway, 2002). Employees engage in relationships where they perceive reciprocal benefits, and higher performance is expected from positive exchanges between employees and their managers. The positive exchanges nurture attachment and create a 'sense of belonging' and 'personal identification' with the organisation, likely resulting in the internalisation and prioritisation of organisational goals (Allen et al., 2013; Baard et al., 2004), thus, drawing attention to information coming from management (relevance feature).

In conclusion, those involved in the HRM process "need to be aware of the importance of the mutual understanding of the HRM practices" (Dorenbosch et al., 2006, p. 281). Parkes et al. (2007) found that where inconsistencies existed between management and employees' perceptions of employee involvement, it proved a restriction on implementation. Further, they found that line managers adapted the practice to their own version of it. Evidence suggests that line managers often implement their own versions of HRM whether, by choice, misinterpretation or lack of understanding, the result can be a misrepresentation of the organisation's intentions (Sheehan, 2014). In one of their case studies of high-tech SMEs Gilman and Edwards found that "line management was more democratic here despite the owner's controlling style" (Gilman and Edwards, 2008, p. 547). Parkes et al. (2007) also suggest that we need to consider the skills levels to implement the required practices. This may prove an even bigger concern for small firms given that they have fewer HR professionals and technical skills (Forth et al., 2006). Therefore, given the number of parties in the social exchange and their perceptions; not to mention their power to influence the process, one must consider that in order to examine "people's assumptions, expectations and interpretations" across social groups requires using methods such as "discourse based interviews, critical linguistic analysis, ethnographic methods, and conversation analysis" (Bos-Nehles and Bondarouk, 2012). Parkes et al.'s (2007) summarises well the important role of FLMs in the conversion process; **"**It ain't what you do, it's the way that you do it*"*

(p. 316). We now turn our attention to those on the receiving end of line managers' interpretations, choices and how practices are implemented.

2.2.3 Limitation 3: Exclusion of Employees Views

A third limitation of the content-driven approach is the lack of inclusion of employees' views in empirical research and "although academics have strong theoretical views on which HR practices are important and how they might be combined together, it is rare for individuals to be asked how HR practices are experienced in their working lives" (Boaden et al., 2008, p.38). This is particularly important in a small firm context given there is less formalisation of HR practices where informality prevails (Verreynne et al., 2013). Verreynne and colleagues (2013) suggest that "employee perspectives are important to fully assess employment systems" and "the absence of employee perspectives limits our understanding of both HR systems and performance drivers" (p. 423; 424). Traditional research into HRM practices and systems in both large and small firms has omitted the views of employees (Guest, 2011; Verreynne et al., 2013). Research has paid little attention to the experiences and perceptions of employees, thus leaving those likely to have the greatest insights outside the research frame (Verreynne et al., 2013; Sheehan, 2013; Gilman and Edwards, 2008). We, therefore, need to move beyond a single source respondent (primarily high-level) to gather both implementation and effectiveness as perceived by employees (Guest, 2011). In order to examine the process ('how'), it is important that the views of the employees are considered. Verreynne et al. (2013) suggest that this is a basic research requirement in all organisations, but even more so in small firms characterised by informality; employees are the ones that effectively understand the systems where informality is "understood best by those who enact them" (p. 424). Verreynne et al. (2013) conclude that "most aspects of employee commitment, communication, interaction and participation are assessed, both in research and practice, at the employee level. Therefore, it follows that researching HRM in small firms requires tapping into employee perspectives" (Verreynne et al., 2013, p.424).

Drummond and Stone (2007) emphasise the importance of the inclusion of employees views based on substantial evidence of divergence in employee views of the employment relationship. One cannot assume employees perceive practices similarly, "and it is perfectly feasible for two employers to adopt the same bundle of HR practices yet have quite different employee outcomes" (Marchington and Wilkinson, 2016, p.425). There are two challenges, and Nishii et al. (2008) suggest that practices may be implemented differently and/or employees may perceive them differently, particularly when we consider previously that line managers may also have different interpretations themselves. It is entirely understandable that "the same HR practices may result in different outcomes if different meanings are attached" (Sanders et al., 2014 p. 498).

In order to examine the process ('how'), it is important that the views of the employee are considered. How can we examine "the role of the psychological processes through which employees attach meaning to HRM" without consulting them in the process (Sanders et al., 2014, p. 489). The Bowen and Ostroff process framework specifically uses Kelley's attribution theory (1967) to justify the importance of examining the perceptions of the employee in the process. It is very difficult to examine the signalling effect without exploring employees' views (Haggerty and Wright (2010).

Current proposals support the call by Harney & Nolan (2014) for more in-depth research that pays more "attention to employee experiences of work and working in SMEs", thus, capturing the dynamics and complexities of small firm HRM. In summary, given that the primary theoretical focus of the Bowen and Ostroff framework "lies in the impact these practices have on perceptions of employees….. the appropriate unit of measurement of assessing strength is the individual" (Bowen and Ostroff, 2004, p. 216). Taking employee's views into consideration avoids the assumption of unitarist underpinnings (Harney and Dundon, 2006) associated with the small is beautiful perspective of 'harmonious relations' (Bolton Enquiry, 1971) depiction of small firms. The Bolton enquiry (1971) was a seminal piece in promoting the small is beautiful perspective, yet interestingly, it is heavily criticised for excluding employees' views. Thus including employees' views considers the role of informality and individual negotiations that characterise small firms generally (Moule, 1998) and avoids assumptions of workplace relations in small firms (beautiful or bleak; harmonious or autocratic respectively).

However, the inclusion of employees' views should not be to the exclusion of FLMs views as emphasised by the previous section. If one is to explain any gap between intended and implemented HRM; research needs to capture the views of both management and employees for valid comparisons (Piening et al., 2014), by taking a multi-level approach. This sits comfortably with a stakeholder perspective that reliability is improved by including a number of relevant respondents for comparisons (Gerhart et al., 2000 cited in Guest and Conway, 2011). Multi-level research "also highlights the value of drawing on many 'voices' when recounting what is happening in SMEs and large firms" (Forth et al., 2006, p.66). Similarly, Nishii et al., (2008) promote using a stakeholder perspective to include the views of HR specialists, line managers, senior line managers and employees. They justify the inclusion of senior line management as they have been neglected yet they hold significant resources and influence in the relationship. These views emphasise the importance of multi-level research that captures multiple sources of data as recommended by Sanders et al., (2018).

Bowen and Ostroff (2004) highlight the need to incorporate the social cognitive perception of employees in the process of HRM. Their framework achieves this by involving employees in measuring the strength of the meta-features and thus, the strength of the HRM system. Their logical inclusion of employees supports recent trends of the importance of including employees. The characteristics of this theory suggest that where employees perceive a positive intention of management's intended HR practices, it will have a positive reinforcing impact for the practices, and vice versa for negative perceptions, as seen with Bryson and White's (2019) pre and post introduction of formalised HRM. Sanders et al. (2014) special edition report on the 'process' of HRM found partial support yet inconclusive for the Bowen and Ostroff framework based on the analysis of empirical research incorporating employee's views submitted to them for the special edition.

Guest (2011) suggests that *"*it is naïve to assume that a senior HR manager can provide information about local practice either in terms of whether practices are implemented or whether they are effective*"* (p. 10). In fact, he suggests that there is a strong case to assume that the employee's views are more credible; where there is a gap between the manager's views and employees, it is unlikely that the HRM practices can be effective and if there is one key message it is that *"*research needs to move beyond simply reporting the presence of practices" (p.10). A positive pathway that includes a more comprehensive systems view can be taken from recent work by Monks and colleagues (2013), where a qualitative approach was "able to go beyond mere descriptions of HR systems to provide a more nuanced understanding of how and why such systems work" (p. 391).

2.2.4 Limitation 4: Lack of Qualitative Research

Lastly, and as an extension of the third limitation, the omission of employees' views is reflective of a lack of in-depth research to capture the social and political complexities that characterise the employment relationship (Sanders et al., 2014). Boxall et al., (2010) note a positive shift in direction for HRM research in the last decade; to a consideration of the internal workings of the organisation through examining 'interactions' of management and employees. This shifts emphasis in the relationship from explicit (content) practices over to the importance of the implicit understanding of the relationships between management and employees. There is a constant interplay of 'negotiated consent' (Edwards, 2006), mutual adjustment (Wapshott and Mallet, 2012) and understanding between management and employees, which may be facilitated by the informality that prevails in small firms. Strategic tensions and political power permeate the relationship, however, social cognitive perceptions determine its meaning to the individual. Inclusion therefore of a social cognitive view would suggest that one cannot assume predictability of behaviours from employees (Sanders et al., 2014) as with prescriptive models; they are not passive recipients to management's requests (Ram, 1991). Employees are individualistic in the sense that they bring their own cognitive meaning to what they observe and are exposed to (Heider, 1958). This potentially inhibits the "intended effects of the HRM system" (Colakoglu et al., 2010, p. 39). From a psychological perspective, when employees attribute positive meaning to the practices they are exposed to, it will have a positive influence on performance more so than when perceived negatively (Attribution Theory: Nishii et al., 2008). Likewise, social exchange theorists, suggest that where exchange is reciprocated and perceived positively, it will have a reinforcing effect on employees' attitudes towards the organisation's desires (Allen et al., 2013). Both the attribution theory and social exchange theory signify the importance of interactions and the influence of social contexts which cannot be examined at surface levels, hence the need for in-depth qualitative enquiry. In summary, "management is not about the universal application of standard policies and practices ('mere presence', added by author), so collecting data at the level of the firm will provide limited information" (Guest, 2011, p. 8).

There has been a preoccupation with the measurement of the presence of practices in large firm research and this has filtered down to small firm research (Doherty and Norton, 2014). Quantitative measures may overestimate or underestimate or misrepresent the "extent to which human resources are managed in practice" (Sheehan, 2013, p.549).

Smaller firms may apply a particularistic set of practices (Gilman and Edwards, 2008) but examination of their conversion process may be beneficial to our understanding of the HRM performance relationship. Particularistic responses to the social and political complexities of the working environment render a solely quantitative content-driven approach limited in value; a process-driven qualitative approach enables capturing the characteristics and complexities of the environment that influence the successful management of people in small firms.

2.3 Summary

This chapter has defined the parameters of HRM as understood in this study. With this foundation, it has explored the relationship between HR practices and performance from a content view, before highlighting the limitations of traditional content examinations which fail to capture a multi-level view from management to employees. A lack of comprehensive research affects our understanding of the implementation and effectiveness challenges. All this suggests the value of taking a process view of the HR operations of small firms. It is proposed that the process perspective goes some way to responding to the content limitations. For comprehensiveness, the research approach considers the impact of both content and process simultaneously.

The content view of HRM in small firms is limited and contested, while there may be positive returns from the introduction of traditional formalised HRM (Forth and White, 2018; Allen et al., 2013) the debate over the appropriate level of formalisation is questionable in the small firm context. Small firms benefit from positive work attitudes attributable to motivation enhancing flexibility, freedom, and participation enabled by the informal exchange and close working relations (Lai et al., 2017). It is accepted that small firms must balance the benefits from both formal and informal practices; on the one hand, supporting growth through greater control and efficiency (Patel and Cardon, 2010) and on the other, holding onto the ability to develop close and positive working relations that create a 'sense of belonging' for employees in small firms (Saridakis et al., 2013; Sels et al., 2006).

In summary, the limitations call for more sophisticated and complex research that can capture the social complexities of the HR relationship (Guest, 2011) and address the need for multi-level analysis (Allen et al., 2013). A more comprehensive view of the process is needed to "fully understand how HRM systems influence outcomes of concern to both employees and managers" (Jackson et al., 2014, p. 24). In conclusion, Guest (2011) best summarises the need to consider the process by referring to “the oft-cited view that it is not enough to have good practices if they are not properly implemented” (p. 6). Following the content process dictum, our attention now considers the value of the process perspective in chapter 3. The view is that greater understanding, appreciation, and application of the HRM process is likely to lead to shared expectations, thus a successfully transferred and persuasive message (Ostroff and Bowen, 2016).

CHAPTER THREE

HRM Process

3.1 HRM Process

Following consideration of the limitations of the content view, attention now turns to the value of the HRM process view. In reviewing the process view, the chapter begins by defining the HRM process. This is followed by considering the value of the process perspective in unpacking the complexities of the HRM performance relationship. The chapter then examines the progress and empirical evidence of the Bowen and Ostroff framework. The second half of the chapter focuses on small firm literature and reviews the potential value for exploring the HRM process within this context by reviewing the characteristics of small firms. Growing our understanding of the HRM process with its generalist properties has heightened relevance for small firms allowing them to adopt a particularistic set of HR practices in response to their external environment (Gilman and Edwards, 2008). Building from these two literature review chapters (2 and 3), the final section of this chapter presents a rationale and the logic of a proposed sensitised framework that guides the enquiry for a greater comprehensiveness of the conversion process (see section 3.5).

3.1.1 Defining the HRM Process

The researcher adopts Bowen and Ostroff's (2004) definition of the HRM process as the "features of an HRM system that send signals to employees that allow them to understand the desired and appropriate responses and form a collective sense of what is expected", with the expectation that it will "help achieve the organisation's strategic goals" (p. 204). Bowen and Ostroff developed a framework based on Kelley's (1973) covariation model of attribution theory by proposing that an HR system is defined by the three metafeatures of distinctiveness, consistency and consensus. Kelley's (1967; 1973) attribution theory describes how employees develop an interpretation from gathering information in their immediate work milieu that allows them to make cause and effect attributions. The benefits of this approach as articulated by Bowen and Ostroff are that an “HRM system high in distinctiveness, consistency, and consensus should enhance clarity of interpretation in the setting, thereby allowing for similar “cognitive maps” or “causal maps” to develop among people, as well as to create an “influence situation” whereby individuals yield to the message and understand the appropriate ways of behaving*”* (Bowen and Ostroff, 2004, p. 213) The framework especially appeals in the small firm context given their proximal characteristics that facilitate regular interaction and exchange between management/employers and employees (Kitching and Marlow, 2013), thus improving the ability to ‘influence’ and deliver a ‘persuasive message’ (Ostroff and Bowen, 2016).

Bowen and Ostroff (2004) argued that in order for a company’s HRM strategy to be effective, employees should be able to perceive HRM as *distinctive* (the event-effect is highly observable), c*onsistent (*the event-effect presents itself the same across modalities and time), and *consensual* (there is agreement among individual views of the event-effect relationship) (Sanders et al., 2014). With these metafeatures in place, they believe there is a greater opportunity to move towards an organisational climate (collective perceptions) and away from psychological climates (individualistic) should management desire. The rational view behind the organisational climate perspective is that it can enhance organisational performance, “owing to shared meanings in promotion of collective responses that are consistent with organisational strategic goals*”* Bowen and Ostroff, 2004, p. 213).

Extending the rationale and relying on message-based persuasion and social influence literature, Bowen and Ostroff translated distinctiveness, consistency and consensus into features (Sanders et al., 2018) as outlined in table 3.1 below. The purpose of the features is to enable a strong situation to prosper causing a strong organisational climate as opposed to idiosyncratic individual perceptions. Achieving such a collective orientation has long been the objective of HRM research and practitioners (ref Walton, 1985). Bowen and Ostroff (2004) provide a theoretical grounding for how an organisational climate can elicit shared perceptions referring to the establishment of a strong system from strong situations built on these features.

Table 3.1 Summary of Bowen & Ostroff meta-features

Meta-feature	Operationalized as
Distinctiveness	
Visibility (Clarity of expectations)	The degree to which internal customers have a clear idea of HR practices, know which HR programs are implemented, and what can and cannot be expected from the HR department. (Delmotte et al., 2012)
Understanding (Reduced ambiguity)	It refers to the absence of ambiguity of HR practice content (Bowen and Ostroff, 2004) The degree to which internal customers understand how and why the practices developed by HR work. HR interventions are easy to understand and HR solutions are simple, clear, and transparent (Delmotte et al., 2012)
Legitimacy of Authority (Credibility)	The degree to which the HR function is perceived as a high-status and high-credibility function (Bowen and Ostroff 2004). Or for small firms, this may refer to the one(s) with most responsibility for HRM.
Relevance (Utility)	The degree to which HR initiatives and practices are perceived as useful, significant, and relevant (supporting achievement of organizational and individual goals) and HR is capable of anticipating on daily problems and needs (Delmotte et al., 2012)
Consistency	
Validity (Accurate)	The degree to which there is an agreement between what HR practices purport to do and what they actually do (Delmotte et al., 2012)
Instrumentality (Steer)	The degree to which HR practices and programs positively influence levels of motivation, competence, and empowerment (Delery and Shaw 2001) and are thus able to steer behaviour of employees in the desired direction (Delmotte et al., 2012)
Consistency of HRM message (Vertical and Horizontal Alignment (VA and HA))	The degree of compatibility between HR practices (Baron and Kreps 1999), of continuity and stability of HR practices over time and of agreement between words and deeds (Delmotte et al., 2012)
Consensus	
Agreement amongst HR decision makers	The degree to which HR decision makers share the same vision and are on the same wavelength (Delmotte et al., 2012)
Fairness – (perception)	The degree to which rewards and the process are perceived as fair.

Source: Author's own work drawing on Bowen and Ostroff's framework and applications of same

3.1.1.1 System Strength: A Strong Situation

In a strong situation, variability among the perceptions of employees' interpretations of the situation will be small (Schneider et al., 2002), whereas a weak situation is characterised by "having few and unknown norms, and being dynamic and emergent" (Sanders et al., 2008, p. 415). The danger of a weak system is that it suggests a lack of management control of employee behaviour and perceptions. Sanders et al. (2008), portray a strong situation as leading to a cohesive group, and the results of this is suggested to lead to group conformity of norms and demands, whereby individual's place the groups' interests above their own, reflective of group identity and the 'family feel' referred to by Allen and colleagues (2013). Strength suggests "a strong situation induces conformity whereas a weak situation leads to ambiguity" (Mischel and Peake, 1982) cited in (Bowen and Ostroff, 2004). Where the system is strong it has a greater chance of HRM messages being received as intended, hence the signalling effect proposed by Haggerty and Wright (2010). Where the system's strength features are not present it is more likely that employees will develop an individual idiosyncratic interpretation of what management wants, expects and rewards or alternatively and worse again, they may develop a common shared interpretation of a wrong message (unintended). Returning to one of the key limitations in the content chapter, the value of strength and a stronger system is that it is likely to close the gap between intent and implementation (Nishii and Wright, 2008). The proximity and reduced hierarchical lines in small firms facilitate employer-employee exchanges and enable greater awareness of employee interpretations and perceptions, allowing management to respond (Allen et al., 2013). Strength comes from leaders/proprietors/senior management's closeness to employees and thus their ability to influence the informal exchange. Senior management can provide a relevant environment where employees have greater autonomy and line-of-sight to their own decisions (seen in the Bolton enquiry, 1973; De Kok, 2003), with the resulting freedom leading to an increase in motivation and subsequent performance, from increased discretion and less oversight (Allen et al., 2013).

More broadly speaking, similar to the work of Becker and Gerhart (1996) HRM philosophy is the level at which effects may be "generalisable or universal" (p. 380), echoing Bowen and Ostrofff's climatic view. Similarly, the HRM philosophy described by Monks et al. (2013), and others (Townsend et al., 2012; Haggerty and Wright, 2009) highlights that the process acts as a medium for sending messages to employees signalling their desires. Growth in the importance of the process is evident in the recent emergence of the HRM system as sending signals to employees about what is required (Haggerty and Wright, 2010); what does group rewards suggest to employees, what does the internal selection process suggest to employees? Considering the limitations identified in the previous chapter there is a clear requirement to understand ‘how’ HR practices send signals to employees rather than simply whether they are present in the organisation or not. Limiting analysis to content, misses too much that is critical to how HRM operates, which is especially likely to be the case in content deficient SMEs (Bryson and White, 2019). By way of example, the choice for and use of internal promotion sends messages to employees, which depending upon how it is perceived will influence attitudes and subsequent behaviours. Whether employees understand the purpose of and perceive the practice as fair is more important than the mere presence of an internal promotions policy.

Two organisations can adopt the same set of HRM practices with entirely different outcomes (Sanders et al., 2014; Marchington and Wilkinson, 2016), which is frequently the case in practice but rarely acknowledged by best practice/universalistic theory. This calls on researchers to explore and explain the reasons for these differences. As Bowen and Ostroff noted in presenting their initial framework; “hopefully, this present effort at theory building on the strength of the HRM system can begin to help explain “how” HRM practices lead to outcomes the organisation desires” (Bowen and Ostroff, 2004, p. 217). They respond to the view of Schneider (2000) by developing their framework to create a greater understanding of the mechanisms responsible for the “intuitive acceptance of an HRM-climate linkage”.

Bryson and White (2019) promote the adoption of HRM, provided it is supported with intensity and more-integrated forms of HPWS “that send stronger signals of positive intent to employees” (p. 769). They suggest that HPWS’ are a ‘strong system’ as they can promote organisational values that enhance employee capabilities and views. Formalisation and HPWSs may be encouraged and potentially beneficial (Patel and Cardon, 2010), however, a lack of HRM skills means small firms are disadvantaged in terms of introduction and sophistication (Wapshott and Mallet, 2015). Bryson and White’s (2019) work suggests that when HPWSs (ie. a form of content) and process are compatible and complementary, they are likely to be more effective, and thus greater understanding, appreciation, and accommodation of the HRM process features is rewarding. Evidence suggests that there are challenges and risks associated with the introduction of HRM and the benefits should not be assumed (Lai et al., 2017). Research evidence suggests that HRM evolves in practice and the balance between formal and informal is not clear cut (Sparrow, 2006). As firms grow, the increasing workload on senior managers necessitate greater standardisation, specialisation and formalised management processes (Lai et al., 2017), but as evidenced, without an appropriate introduction, employee satisfaction may suffer (Bryson and White, 2019).

In summary, the integrative process perspective facilitates the inclusion of strategic fit of HRM practices (Becker and Huselid, 2006) and the 'systems view' through the incorporation of the 'content' of HRM practices when examining the strength of the system. It has been viewed as a useful mechanism "to examine the extent to which the process features increase the explanatory power of HRM compared to the more content-focused operationalizations used in prior research" (Enrnrooth and Bjorkman, 2012, p. 1129*)*. The essence of the conceptual framework is to "help explain how individual employee attributes accumulate to affect organisational effectiveness" (Bowen and Ostroff, 2004).

As recommended in the ten-year review (Ostroff and Bowen, 2016), the author adopts the Bowen and Ostroff climatic and higher-level view, meaning perceptions are paramount; for example, with respect to rewards, the perception of 'fairness' (a feature of Bowen and Ostroff) trumps the design of the practice. In a sense, the researcher is taking a higher-order HRM philosophy 'guiding principles' approach at an organisational level, enabling a generalizability of process supporting a particularistic changeable set of practices. In order to extend our understanding of the systems view, the research takes a comprehensive view and includes both content and process to explain the power of the process features. The chapter now considers how the process perspective adds value and progresses our understanding of the complex challenge of managing employees.

3.1.2 Progression – The Value of Process

The process looks to examine 'how' HRM influences performance rather than focusing on 'what' HR practices should be chosen as part of an HRM system, in summary, it's not what you do but 'how' that matters. Guest (2011) suggested that the Bowen and Ostroff framework is "an important starting point for consideration of both sophistication and complexity" that exists in the relationship. Guest (2011) summarised the framework as an important development in the examination of the implementation phase (processes) of HRM systems, “reflecting the oft-cited view that it is not enough to have good practices if they are not properly implemented” (p. 6).

Recent reviews of the literature on the HRM performance relationship have highlighted an important shift towards examining the HRM ‘process’ (Sanders et al., 2014, special edition in HRM journal; Guest 2011, most recent phase in the development of the relationship; Lengnick-Hall et al., 2009, theme 5). Sanders et al. (2014) highlight in their special edition (2014) devoted to the importance of the process of HRM in the HRM journal; that ten years on from the development of Bowen and Ostroff’s seminal piece arousing attention in the “HRM process approach is seen as a promising next step in the HRM field……If there is one conclusion…., it is that the HRM process does matter; how it matters is uncertain. Further research is needed” (Sanders et al., 2014, p. 499). In moving the discussion forward, they propose that research should examine “how employees’ perception of the HRM process in terms of distinctiveness, consistency, and consensus can be further enhanced in an organization. Until now, this topic has hardly been considered” (Sanders et al., 2014, p.500). Thus, the researcher proposes to examine ‘how’ the conversion process leads to desired outcomes, hopefully shedding light on how the HR system works in reality. Bowen and Ostroff (2004; 2016) proposed that HR system strength features support the creation of an environment or situation where it is more likely that the organisation intentions or message may be transferred.

Several weaknesses of the HRM content approach have been considered in the literature review, and in summary, they highlight a gap between intention and implementation, an exclusion of the role of line managers, the omission of employees’ views and a lack of a qualitative approach to a socially complex relationship. Another weakness of the HRM content approach is its pursuit of generalizability reflected in the quantitative approaches. This is especially problematic in applying to the SME context given that organisations adopt a “distinct bundle” (Drummond and Stone, 2007) or a “particularistic” set of HR practices (Gilman and Edwards, 2008) to respond to external factors (Harney and Dundon, 2006; Edwards et al., 2006).

Examining subjective perceptions will provide a guide to whether the meta-features are being experienced by employees and if so, they will help ‘steer employees’ behaviour in line with organisational strategy (Nishii and Wright, 2007), hence, ‘message-based persuasion’ (Ostroff and Bowen, 2016). The “HR metafeatures have a more generic nature and are, therefore, easily applicable in different settings” (Delmotte et al., 2012, p.1485) as compared to distinct bundles of HR practices. Delmotte et al. (2012) continue and provide useful examples; not every organisation offers performance related pay, but perceptions regarding the ‘fairness’ of the reward system are important (Delmotte et al., 2012). This very example epitomises the merits of focusing on the HRM process and also the potential of the Bowen and Ostroff framework. In contrast to continued discussion on the content area of research and its preoccupation with the merits of devising a set of best practices (HPWS) or a distinct bundle, this strength of the process may enable the generalizability of a strong situation, thus allowing organisations to design their HR practices to their particularistic context (Gilman and Edwards, 2008). Delmotte et al. (2012) suggest that if the system is distinct, consistent, and unambiguous it is likely to be “translated into a strong people management system, and subsequently into the creation of shared perceptions among employees of what is expected of them in line with the firm’s strategy” (p.1482). This suggests the potential use of the framework for practitioners to increase performance through collective perceptions similar to the narrative associated with identity theory examined in professional service firms (PSFs) by Alvesson et al. (2008). It may provide stronger people management due to ‘aspirational control’ creating a greater identity with the organisation and their required goals (Alvesson, 2001). In response to our definitional difficulties for HRM earlier, the basic requirement is fulfilled by Li et al.’s (2011) suggestion that if a system is high on all three components: distinctiveness, consistency and consensus, then employees will have a “clearer view of cause (HRM)-effect (a purposeful management) relationships”, and a greater likelihood that they will work “towards desired ends” (Boxall, 2010).

The current proposal is that the ‘process’ may be generalizable should features remain consistent (strong) over time and vertically aligned (clear unambiguous signals), allowing the ‘content’ of HR practices (distinct bundle) adapt to the particularistic context. The intention is not to propose a set of HR practices such as the HPWS practices by Pfeffer (1998), but to create a ‘strong’ organisational climate so that the particularistic choice of practices get implemented as intended. Organisations may choose strategies or practices that appeal to their circumstances, however, the strength of the process moderates its likely success (Sanders et al., 2018) by responding to the challenges of the rhetoric versus reality debate (Legge, 2005). Although we may not be able to apply traditional normative linear models of HRM to small firms taking into consideration their idiosyncrasies and the contextual complexities affecting small firms (Marlow, 2006), we are not per se examining the content of practices but the process of examining the strength of the climate; including both the individual psychological climate and the organisational climate (shared perceptions). So, even if small firms do not fit into the diluted version of larger firm's prescriptive normative models doesn't automatically assume a weak system; the content of practices may be different (particularistic) but the organisational goals may be clear (shared perceptions of what is expected) because of a 'strong' process (organisational climate) (cf Drummond and Stone, 2006; Marlow, 2006). But how to ensure it is achieved as intended is dependent on the perceptions and thus the strength of the process, therefore the process moderates the impact of the HR practices (Sanders et al., 2014, p. 493). An exclusive content approach is likely to miss much that is important to small firms, and risks rendering them deficient on the back of not having formal practices, whereas the process perspective at least serves to allow for small firm characteristics; owner-manager/leadership influence and values, coupled with the critical role of employees in this context (McClean and Collins, 2018). The proposal is to use the Bowen and Ostroff framework to establish a strong process so that the message is not 'lost in translation' (Bartram, 2007). The challenge is to determine what can be learned from small firms and their processes.

In response to an omission of employee views (limitation 3, chapter 2) in the content literature**,** Ehrnrooth and Bjorkman (2012), highlight an important element of the integrative approach of the framework as it includes the employee perspectives. The framework is based on employee perceptions, so it directly responds to content limitations and places employees' perceptions centre stage (Jiang et al., 2012). This enables a bottom-up approach and promotes the usefulness of the framework for dealing with the "complexity inherent in multilevel research on organisational-level outcomes of HRM as it, with a single measurement instrument, can account for the alignment of HRM with the realized strategy across objectives and employee groups" (Ehrnrooth and Bjorkman, 2012, p. 1129). Ehrnrooth and Bjorkman (2012) agree with Janssens and Steyaert (2009) that scholars need to search *"*for conceptualisations that can accommodate the complexity of the employment relationship" (p. 149) and the impact of HRM on it.

Attribution theory belongs in the disciplines of organisational and social psychology, and based on social context theory, it can possibly create potent forces either producing or constraining behaviour. Nishii et al. (2008), highlight that it is not just the presence of practices but the perceptions of the intentions behind the practices that matter. The introduction of HRM may be perceived negatively as a controlling mechanism or positively as a commitment to the employees (Lai et al., 2017). Nishii et al (2008) found where employees perceived that the practices were designed/enacted/implemented for their well-being, they had a positive influence on employee attitudes. The social and psychological basis for the framework may contribute to the reason why it is the road less travelled in traditional HRM research as the HR practices appear more tangible for surveys that dominate empirical research.

The framework responds to the social and political complexities that permeate the workplace (limitation 4, chapter 2). The employment relationship is built on a 'structured antagonism' (Edwards, 1986), where both management and employees pursue their own agenda. This involves the "negotiation of order and co-operation on the basis of this antagonism. Co-operation and consent plainly exist, but they cannot be assumed to be part of the natural; they are socially produced and potentially unstable" (Edwards et al., 2006, p. 703). The Bowen and Ostroff framework proposes a set of meta-features which when implemented will create a shared perception thus reducing the potential instability in the relationship through greater consensus. Features such as agreement between HR decision makers are likely to reinforce the message that is conveyed by management. The social and psychological dimensions of the framework emphasise the need for an in-depth qualitative approach. This sentiment aligns with unitarist interpretations of the small firm e.g. small is beautiful perspectives (Harney and Dundon, 2006; Wilkinson, 1999)

Stanton et al. (2010) conclude that a strong HRM system may be difficult to achieve in practice, because alignment is difficult to achieve. Therefore, high-level leadership and within-group agreement is required but not easily achieved which is similar to the findings of Patel and Cardon (2010) when they found a positive impact from group culture for the adoption of HR practices and subsequent labour productivity. Managers influence how HRM practices are perceived and based on attribution theory, if it is a positive perception, it may have synergistic positive effects on performance.

3.1.3 Progress

Relative to the wealth of content HRM studies (e.g. Bainbridge et al., 2017; Wall and Wood, 2005) there is limited empirical evidence to date using the Bowen and Ostroff's framework. Moreover, very few if any have used all three meta-features and associated features of the conceptual framework in conjunction with HR practices (Cafferkey et al., 2018; Ostroff and Bowen, 2016). However, there are positive returns emerging from recent efforts with two important studies from Sanders et al. (2018) and Cafferkey et al. (2018) supporting the framework. Evidence is starting to support the suggestion that the process does matter, by strengthening the impact of the intent. However, research is not conclusive and there are some inconsistencies found in the empirical research. Although positive associations (Sanders et al. 2008; Li et al, 2011), there is a shortage of higher-level analysis as recommended by Ostroff and Bowen (2016). Encouraging also is a growing range of HRM research exploring process related features, if not directly applying Bowen and Ostroff's work e.g. work on consistency and assignment (Han et al., 2018), work on varying employee perspectives (Geare et al., 2014) enhanced understanding of HRM and innovation (Shipton et al., 2006) and a greater appreciation of mediators (Boxall et al., 2016).

Most research has examined the understanding of employee perceptions without taking a higher-level view. There are inconsistencies in research findings, however, we see positive outcomes in the following studies: eg. Sanders et al., 2018; Bednall et al., 2014; Sanders and Yang, 2016; Cunha and Cunha, 2009; Katou et al., 2014; Li et al., 2011; Sanders et al., 2014; Cafferkey et al., 2018. In the first four of these studies, the research evidence suggests that the metafeatures support the development of innovative behaviours (organisational objectives). However, the findings are not straight forward and in Sanders et al.'s (2008) case, they found positive relationships between distinctiveness and consistency and affective commitment, but not so for consensus.

Sanders et al. (2008); Li et al. (2011); Nishii et al. (2008) all found positive relationships to commitment, however, they neglected content and focused on understanding and perceptions of the features. More recently, we see a more combined examination of content and process (Katou et al., 2014; Bednall et al., 2014; Sanders and Yang, 2016; Sanders et al., 2018; Cafferkey et al., 2018), who also found positive returns from HRM strength features. In the latter, when employees were able to make sense of management's intentions because of HRM system strength features, high commitment HR practices were found to be more effective.

Ehrnrooth and Bjorkman (2012) combine the theorization of the AMO model and the Bowen and Ostroff framework to convey the importance of the process, and indirectly the importance of the Bowen and Ostroff framework for establishing a strong process. The expectation was that where HR practices were perceived as relevant and valid to employees, it would result in increased employee engagement in the practice towards the preservation of self-identity. They go on to make the argument for the benefits of psychological empowerment and its potential positive influence over employees. They claim it is stronger than the formal structures in place as it is “constrained, controlled, and directed by internalized norms”, thus a strong HRM system leads to an “empowering form of motivation” (through understanding) and importantly a “controlling form of motivation” (p. 1119). Forth et al. (2006) and Forth and Bryson (2018) found higher levels of employee involvement in small firms based on the WERS 2004 and 2011, (respectively) results prompting the suggestion that this empowering characteristic of small firms may have a powerful influence over the perceptions and thus attitudes and behaviours of employees who are directed by internalised norms for aspirational control of self-identity. So the implication is that higher levels of engagement in small firms may be indicative of greater system strength. Proximity and close working relationships suggest small firms have advantages in developing a more ‘family feel’, where regular interaction and exchange, a ’sense of belonging’ is more likely to develop through greater transparency and participation opportunities (Lai et al., 2017). The subsequent outcome is likely to “create a sense of personal identification with and attachment to the organisation” (Allen et al., 2013 p. 157). When this occurs, employees are more likely to internalise key organisational goals and work towards them (Baard et al., 2004), suggesting strength through the relevance feature in the small firm context.

Some studies have examined the moderating effects of the metafeatures on the HRM performance relationship (Guest and Conway, 2011; Katou, et al., 2014; Sanders and Yang, 2016), and their findings have been mixed and often context dependent. In the first case, Guest and Conway (2011) didn’t find a moderating role for HR system strength, whereas the other two cases found a positive moderating impact. Nevertheless, Sanders et al. (2014) summarise that the theoretical basis for the Bowen and Ostroff (2004) framework has been confirmed by Li et al. (2011) and Sanders et al. (2008), yet the search for the perfect instrument and research design is on-going e.g. Delmotte et al.'s (2012) psychometrical assessment methods. This is no straight forward task given the complexity of the process approach (Guest, 2011) and the resources required to measure or understand the "role of psychological processes through which employees attach meaning to HRM" (Sanders et al., 2014, p. 489). Given the intangible nature of perceptions, it is thus not surprising that it is the road less travelled in HRM. Two important observations from empirical work is a lack of qualitative exploration and neglect of small firm research.

In summary, research findings have "reinforced the value of distinctiveness, consistency and consensuses as key elements framing how HRM signals managerial intentions to employees" (Cafferkey et al., 2018, p.19). The current research adopts the recommendation to use both HR practices (content) and HRM system strength (process) simultaneously to improve our understanding of how HRM activities influence positive work outcomes (Ostroff and Bowen, 2016; Sanders et al., 2018; Cafferkey et al. 2018). Sanders et al., (2018) acknowledge Ostroff and Bowen's (2016) criticism of a lack of higher-level analysis, with most studies examining employee perceptions at an individual level. Given the theoretical and research complexity of multi-level relationships, it is not surprising that research has been limited (Guest, 2011).

3.1.4 Small Firms and SMEs

Both chapters thus far have highlighted the complexity of managing employees, while building towards the value of the HRM process perspective to aid our understanding of how HRM systems work. Having considered the potential and value of a process perspective to shed light on the operations of HRM, we now consider small firm context and characteristics in more detail, as they bring further challenges and opportunities for the application of a process perspective.

This section sets out to define what constitutes a small and small to medium sized firm, and what we know about the HRM operations in the small firm context. We know that small firms are characterised by informality (Verreynne et al., 2013; Saridakis et al., 2013), a lack of HRM skilled professionals (Marlow et al., 2010; Forth and Bryson, 2018; Forth et al.,

2006) and that they are more vulnerable to external environmental change (Harney and Dundon, 2006). There is some debate over the levels of informality (Verreynne et al., 2013; Allen et al., 2013) and formality (Sheehan, 2014; Sparrow, 2006) in small firms, and this proves challenging for traditional forms of content research. This debate has important implications for the research as formalised practices are likely to be more distinct, visible and readily observable, suggesting greater strength. Examining the literature unpacks some of the complexity which limits the value of a content approach, thus setting the scene for the potential value of a process perspective and Bowen and Ostroff's logic for managing employees in smaller firms.

The difficulty of defining HRM and small firms is long since recognised (Katz et al., 2000). Marlow (2006) suggest SMEs are a 'fuzzy concept' and therefore, complicated to examine causing problems of building theory. There has been considerable debate over the definitions of small firms and SMEs, as far back as the Bolton Committee in the early 1970's (Raby and Gilman, 2012). Bolton set out criteria for identifying small firms, based on a share of the market, whether it was managed by owners/part-owners in a personalised way (no formal management structure) and the level of freedom from outside control. They further broke their definitions down into different industry sectors such as manufacturing, construction, services, etc. However, due to difficulties in comparisons based on these definitions; for example a small manufacturing firm may have up to 200 employees whereas a small construction firm may have up to 25 employees, therefore their management structure realistically is likely to be different for hierarchical control purposes. For the purposes of this study, the author will use the European Commission report from 2005 defining the characteristics of SMEs based on headcount, turnover and balance sheet. The table below represents the classifications as per the European Commission report. The current study adopts the small firm classification based on all three categories: under 50 employees; less than €10m annual turnover; and a balance sheet of less than €10m. It also aligns with the principle that small firms should be independent entities and not subsidiaries of larger entities, something small firm research has not always appreciated (e.g. Bacon and Hoque, 2005).

Enterprise Category	Headcount	Annual Turnover	Annual Balance Sheet Total
Medium	<250	≤€50m	≤€43m
Small	<50	≤€10m	≤€10m
Micro	<10	≤€2m	≤€10m

Source: European Commission (2005: 3)

A Business in Ireland study (2015) by the Central Statistics Office (CSO) reported that small and small to medium-sized businesses account for 99% of total business numbers and 47.8% of total turnover, yet they still remain under-researched (Harney and Nolan, 2014). From first impressions, this is surprising given their contribution to economies (Allen et al., 2013), yet unsurprising when one considers the preoccupation with content-based research that focuses on surface-based tick box surveys from a single respondent, primarily an HR professional or senior manager. Given their lack of sophistication (Harney and Dundon, 2006), their need for particularism (Gilman and Edwards, 2008) and a widely accepted view that they are enterprises where informality prevails (Saridakis et al., 2013; Verreynne et al., 2013), it is not surprising they have been overlooked in favour of large scale content quantitative based research which focuses on larger organisations with the hope that their findings can be more generalizable. The current review explores small firm characteristics and considers the value of incorporating the process features in the management of employees in small firm HR operations.

At the heart of the current study is the need to examine small firms, in order to improve our understanding of how they work and how the HRM process can influence the effective management of employees in this context. Taylor (2005) suggests that we need to engage with HRM in small firms and critically evaluate how the concepts are operationalized rather than leaving small firms out of the debate (see also Marlow, 2006).

Marlow (2006) highlights that HRM research in smaller firms looks to find those practices that exist in larger firms, but when they are not found as traditionally expected, it prompts an interpretation of small firms as weak, deficient or backward. Many authors such as Cassells et al (2002) and Harney and Dundon (2006) have reviewed HRM literature and highlighted that there has been a lack of examination of SMEs in general, and they attribute this to the universal application and acceptable usage of large firm HR practices in SMEs. Literature suggests that we should not presume to use the same systems in small firms as large (Cardon and Stevens, 2004). Ultimately, "at the heart of the debate is the acute shortage of research identifying and validating HRM practices in SMEs" (Verreynne et al., 2013, p. 437). Evidence suggests that there are risks associated with the introduction of HRM and the benefits should not be assumed, they may be undesirable (Lai et al., 2017).

Verreyne et al. (2013) suggest that in order to capture performance in small firms, we must consider their need for informal flexible practices "rather than emulating HRM models designed for large firms" (p. 424). In support of this proposal is Harney and Nolan's (2014) work on the denaturing debate which argues that just because small firms do not adopt the same HR practices as large firms, doesn't mean they are 'deficient', in that "deviation from large firm ideals might not automatically imply deficiency" (p. 10). At the root of the debate is not whether small firm HR practices match large firms per se but what ingredients provide the recipe for their success/ performance i.e. they need to be viewed on their own merits. Ram and Edwards (2003) use the work of Storey (1994) to suggest that the negotiation of balance that exists between employer and employees is common to any capitalist organisation, however, "the distinctive ways in which it occurs, with face-to-face relations often complemented by the distinctive processes of familial relationships, indicate that small firms are not scaled down versions of large ones (Storey, 1994)" (p. 726). They often rely on the close working relations, 'family feel' and 'sense of belonging' that can be achieved through regular interaction (Allen et al., 2013). The author supports the accepted view that small firms should be studied for how they behave, rather than the 'idealized image' of what they should be doing (Taylor, 2006; Gilman and Edwards, 2008).

Research makes it clear that size does not determine HRM in SMEs (Harney and Dundon, 2006, p. 67). Small firms may not have the same access to resources and HRM technical skills (Mayson and Barrett, 2006) to develop HR practices ('content'), yet features that prevail in smaller firms have been found to lead to higher levels of satisfaction and commitment (Forth et al., 2006; Forth and Bryson, 2018). There is, therefore, a requirement to examine the mystery of how this is the case and 'how' the 'process' supports this. Smaller firms may apply a particularistic set of practices (Gilman and Edwards, 2008) but examination of their conversion process may be beneficial for our understanding of small firm HRM operations.

Before considering the potential utility of the process perspective in small firms, we need to consider the background literature that sheds light on what we know about smaller firms. An important debate that summarises much of the small firm HRM literature focuses on whether working in small firms is considered as a ‘beautiful’ or ‘bleak’ prospect (Wilkinson, 1999). Much of the perceptions that are attached to either side of the debate have important implications for our understanding of small firm HR operations. Although small firm HR research has moved on to suggest that they may be better described as ‘complex’, there is important information that has emerged from the traditional small is beautiful versus bleak debate that points to the value of a process perspective.

The characteristics and complexities of small firms animate the weaknesses and limitations of HRM content research. While it is generally acknowledged that managing employees is very much shaped by the interplay of external and internal forces. A lack of external buffers with a heightened dependence on the external environment (Barrett and Rainnie, 2002) means that small firms are more “heavily shaped by contextual contingencies” (Harney and Dundon, 2006, p.50). A longstanding question is how SMEs maintain flexibility to respond to external demands while adopting idiosyncratic, ad-hoc and reactive responses to it (Marlow, 2006). Findings such as lower pay and fewer development opportunities and yet higher levels of engagement (e.g. Forth et al., 2006; Forth and Bryson, 2018) prompts one to ask what it is about the working environment of small firms that make them work. These forces affect both content and process views of small firms and in the next sections, the literature is unpacked to consider the complexity and prevent premature assumptions for adopting the HRM process perspective. Additionally, small firms provide a suitable opportunity to capture a ‘more comprehensive’ view that is “needed to fully understand how HRM systems influence outcomes of concern to both employees and managers” (Jackson et al., 2014, p. 24).

3.2 Small Firm Characteristics

3.2.1 ‘Small is Beautiful versus ‘Small is Bleak’:

A large proportion of small firm literature centres on the debate over whether small firms are viewed as harmonious places to work rather than places where autocracy reigns. The former view known as ‘small is beautiful’ suggests that small firms are not only different but are better places to work, depicted by the Bolton enquiry (1971) findings of less industrial action in SMEs attributable to their more 'harmonious, flexible working conditions' (Raby and Gilman, 2012 p. 429). A bleak perspective suggests a top-down management control system where employees are faced with longer hours, lower pay and poorer working conditions (Wilkinson 1999, Harney and Nolan, 2014). Empirical evidence regarding these issues has been mixed, with small firm employees regularly reporting higher levels of organisational commitment and job satisfaction (Storey et al., 2010), while other studies report a variety of poor HR outcomes in SMEs including job insecurity, skill shortages, lower pay and limited promotion opportunities (Hoque and Bacon, 2006). Although contested, evidence of higher levels of job satisfaction have continued into recent work (Forth and Bryson, 2018; Bryson and White, 2019), and this has important implications, given that formalised HRM (content) may be perceived negatively given its association with increased monitoring and control (Lai et al., 2017).

The assertions of small is beautiful versus bleak is an important debate in the small firm literature, nevertheless, the current research takes an unassuming view. A small is beautiful assumption may imply strong situations with greater consensus and consistency from close harmonious relations. Similarly, an autocratic top-down style that reflects a bleak perspective may imply strong situations from consensus and consistency attributable to clarity and a lack of ambiguity. In both instances, it is important to be open to evidence, especially employee perspectives. Indeed, what might be initially read as paternalistic may have an undercurrent of strong, normative control. In exploring the value of process understanding for smaller firm HRM, it is suggested that the virtue of being small itself may facilitate strength as the message may be more distinct in a context where "communication presents fewer problems: the employee in a small firm can more easily see the relation between what he is doing and the objectives and performance of the firm as a whole" (Bolton, 1971, p21). This points to a potential for greater line of sight in small firms (McClean and Collins, 2018), which is an objective of the HRM process perspective that increases the likelihood of conveying the intended and shared message to employees. Close working relationships and regular employer-employee interaction facilitated by proximity, provide management with the opportunity to convey a persuasive message by developing similar cognitive maps so that employees see their activities as relevant and instrumental (features of strength) (Bowen and Ostroff, 2004). A sense of attachment and belonging is more likely to emerge and where employees develop this attachment, it is more likely that they will merge organisational and personal goals, with positive returns for management (Allen et al., 2013).

3.2.2 Tension and Challenges

This section is included to convey the shortcomings of simplistic interpretations of working in small firms as either ‘beautiful’ or ‘bleak, as if it were a straight forward management choice. One must therefore consider the ‘complexity’ of HRM in small firms (Barrett and Rainnie, 2002), shaped on the one hand by the constraints of the external stakeholder, product and labour market influences, and on the other hand by the internal complexity and idiosyncrasies that exist because of power struggles in the employment relationship (Wapshott and Mallett, 2015). With this in mind, Edwards (2006) and Harney and Dundon (2006) developed frameworks to accommodate the complexity of the environments and context in which small firms operate in order to capture the ‘totality’ of the situation (Barrett and Rainnie, 2002). Here it is understood that HR practices in small firms are “mediated through a web of social and economic relationships” (Harney and Dundon, 2006, p. 49). Small firms are not independent of the environment in which they compete nor can employees be considered commodities in the factors of production. We cannot assume employees to act as pawns (passive recipients) (Lai et al., 2017) subjected to management control as they hold variable power (‘negotiated consent’) in the relationship and may not surrender to autocracy, in fact in some way, they will shape the relationship, even if it is only through ‘workplace fiddles’ (Moule, 1998).

Small firms do not fit neatly into best fit normative versions of HRM because they are ‘usually’ characterised by informality and idiosyncratic approaches to labour management (Ram et al., 2001; Marlow, 2006, p. 468). HRM in small firms is continuously shaped and altered by the power struggles between management and employees, while influenced by the structural conditions of the product and labour markets. In accepting this and the bounded rationality of the complexity of small firms, we may say the homogeneity of HRM in small firms “does not exist” (Rainnie, 1989, p. 52). Moule (1998) sums up by suggesting that small firms do not operate at polar ends of a dichotomy of autocracy versus harmony or resistance versus control, but is a complex relationship. Even where organisations may choose either a ‘control’ or ‘commitment’ approach to labour management (Edwards et al., 2003, p. 709), the implementation may be altered by the dependency and negotiations powers of employees. We, therefore, need greater insight into the interpersonal relations, not excluding the influence of structural influence/conditions, as summed up by Ram (1999), “a negotiation of order occurs but within a definite material context” (p.15). Edwards (1986) suggest that we account for structural conditions without them being deterministic. Summarising, the employment relationship is a complex exchange and trading of both external and internal variables that must co-exist and adjust. In knowledge-intensive contexts the power and influence of employees is likely to be all the greater (Bacon and Hoque, 2005).

Research also needs to consider the reality and totality of internal systems which may restrict management control, we cannot assume a system of HR practices as being ‘realised as intended’ (Truss, 2002). Even where an organisation chooses a soft over an autocratic approach to HRM, the realisation of this approach may be altered by employees depending on their perceptions (attributional theory) and power to influence. Raby and Gilman (2012) highlight that employers and employees do not necessarily share common interests (unitarism cannot be assumed), creating heterogeneity and hence, complexity. They summarise by suggesting that; “Early assumptions of ‘small is beautiful’ or ‘bleak house’ are therefore unwarranted…. with employees seen to play a significant role in workplace bargaining” (p. 435).

Moule (1998) also suggested that because of the informal individualised way small firms operate, employees were preoccupied with their own individual struggles and their individual negotiation process was the “engine driving ….. very small firms generally” (p. 652). This produced atomised rather than collective responses enabling flexibility for the firm. Thus management in small firms may wish to hold onto their strategic choice and potential to be flexible, and thus the ability to adapt to the context in which they find themselves. A search for the idealistic set of HR practices (content view) appears less fruitful if management chooses to individualise relationships. The generalizable properties that the process perspective brings implies the opportunity to strengthen the likelihood of a common shared message, however, the value of this cannot be assumed as management in small firms may wish to maintain an individualistic approach, for the negotiation value it allows. While the objective of the metafeatures is to strengthen, they may, however, expose the inconsistencies between employees, rendering it of limited value in the small firm context where management wish to hold onto the individualistic opportunity. Accepting and acknowledging the power and influence of the individual in the relationship, it is vital to consider the employee's views in order to capture their social cognitive perceptions of the workplace (Wapshott and Mallet, 2012). The Bowen and Ostroff framework incorporates this through the use of social context theory and attributional theory, thereby importantly gathering the employee's views, as seen in the feature of relevance.

These tensions and complexities are not easily resolved and cannot be vanished by the introduction of the process features. Some features are contradictory when it comes to the relations outlined above, consistency and consensus may be difficult to achieve where management choose to treat employees differently or where employees use their negotiation powers to achieve better terms and conditions for themselves on an individual basis. "Regardless of the HR practices" (Ostroff and Bowen, 2016, p. 205), the perception of fairness is what matters to the employees but this is affected by how their colleagues are treated, which implies that consistency influences consensus. The relationships and integration of the process features are far from straightforward. Thus, the generalizable properties of the process features such as fairness are significant, but we require greater understanding, suggesting the need to explore the value of the process features in the small firm context.

This section highlights the importance of the expected idiosyncrasies and particularistic bundles of HR practices in the small firm context and therefore points to the usefulness of examining the process. A strong process may provide consistency and consensus of a message while inherently allowing for flexibility of 'content' of HR practices to alter based on a given context. The evidence suggests that it is important to have an appreciation of both the external and internal environments. The internal dynamics have important implications for the HRM process perspective. As the strength, it refers to imply management control, with the objective to improve management's chances of conveying the intended message. However, employees are not passive recipients to management's intentions. This suggests that small firm characteristics will likely affect the success or strength of the HRM process, and attention now turns to further small firm characteristics, beginning with informality.

3.2.3 Formality versus Informality Debate

Small firms are susceptible and vulnerable to external conditions given their low power over markets, thus pointing to the requirement for dynamism in small firms (Marlow et al., 2010). It is widely accepted that they achieve this dynamism by combining formality and informality where appropriate, so, rather than considering a game of powerplay between formality and informality, research would be better disposed to "examine the interaction between the two and the ways in which they reproduce each other" (Gilman and Edwards, 2008, p. 533). It is not a simple dichotomy of formality versus informality in small firms, but rather should be viewed as a continuum (Ram and Edwards, 2003).

Sanders et al. (2014) suggest that any consideration of the "content of HRM cannot be fully realized unless one takes into account both the formal and informal HR practices, since each has an influence on the extent to which HR overall is perceived as intended" (p. 496). They question the ability of formal practices achieving their intentions where the potential for informal "contradictory or inconsistent messages" exist. "Do informal HR practices impede or enable interpretation consistency (ie. are informal practices relatively stable or are they more likely than formal ones to mutate or change forms given changing external and internal constraints?)" (p.496). This view may be escalated by the widely accepted characteristic of informality that prevails in small firms (Harney and Dundon, 2006), thus potentially suggesting weak levels of consistency over time in small firms (Verreynne et al., 2013).

In a strong situation, variability among the perceptions of employees' interpretations of the situation will be small (Schneider et al., 2002), whereas a weak situation is characterised by "having few and unknown norms, and being dynamic and emergent" (Sanders et al., 2008, p. 415). This suggests that a weak system has less possibility of management control of employee behaviour and perceptions as evidence indicates that HRM in small firms is likely to be more emergent, thus implying a weakness in the small firm context. These are important characteristics for small firms given their need to respond and be flexible.

Formality in organisations implies greater governance and clarity of objectives for employees through rules and procedures that enable efficient production (likely to be distinct and consistent) (Sheehan, 2014) whereas informality implies a labour management approach that is more "emergent, flexible and loosely structured" (Marlow, 2005, p. 5) causing "fuzziness and ambiguity" (Nadin and Cassell, 2007, p. 434). Therefore, formality signifies strategy, rules and a more developed organisation (Lai et al., 2017; Gilman and Edwards, 2008) and considering small firms lack strategic planning and formal strategies (Gray and Mabey, 2005; Harney and Dundon, 2006), it is not overly presumptuous to suggest that the naturalisation of HRM in small firms hinges on the use of informality. Again, given their need for dynamism, the inevitability of an emergent and reactive approach is facilitated by informality (Harney and Dundon, 2006). The need for change hinges on the balance of consent from and control of employees in a reactive sense. It is, therefore, no surprise that SMEs are a “context where informal practices prevail” (Harney and Monks, 2013, p. 4).

Although “it is common to contrast small firm informality and large firm formality”, it is too simplistic to suggest that small firms do not depend upon or operate some level of formality (Forth and Bryson, 2018), without which there would be some levels of confusion and conflict caused by a lack of clarity in obligations between employers and employees (Gilman and Edwards, 2008). Gilman and Edwards (2008) suggest that in growth, small firms “seek to retain the benefits of informality” (p.549). Standing on the side of ‘small is beautiful’, one might propose that small firms try to keep the best elements of individualised relationships and informality as they grow. The internal tensions between formality and informality pivot on the need to formalise policies and procedures to control efficient growth (Storey et al., 2010), whereas the informality facilitates the ability to be flexible and respond to changes. Gilman and Edwards (2008) further allude to Misztal’s (2000) concern over balancing the relationship between formality/predictability and informality/flexibility, “if they are out of balance they will be extremely harmful” (p. 552). They found that organisations struggled with balancing these while modernizing and growing.

There is overwhelming support for the argument that small firms are characterised by “informality, individuality and idiosyncrasy”, often “arising from the preferences of owners to manage the employment relationship personally” (Marlow, 2006, p. 473). Similarly, and in response to the dynamic needs of the environment small firms are exposed to, they are also characterised by an ad hoc and reactive approach to market conditions (Mayson and Barrett, 2006). An organisation that is dependent on the dynamism of the external environment must build on a level of flexibility to respond to these conditions. Bearing this in mind Gilman and Edwards (2008) coined the phrase particularism to suggest that small firms need to adapt their labour management approach to their particular needs. It is no surprise therefore that strategic planning and formality of HRM is not broadly witnessed in small firms, and a more reactive and emergent form of HRM exists in response to environmental conditions (Lai et al., 2017; Harney and Dundon, 2006; Gray and Mabey, 2005). Based on distinctiveness, consensus and consistency, it may be reasonable to suggest that the informality that characterises small firms may bring with it greater uncertainty for employees in small firms, therefore the high levels of ad-hoc idiosyncratic flexible responses to the market may reduce consistency. Harney and Dundon (2006) cases highlight that survival often supersedes strategic planning, calling for the need to remain flexible which is facilitated by informality epitomised by the emergent forms of HRM found in the case studies.

While interpretations can sway in favour of the positives of informality (e.g. Bacon et al., 1996), it is important to acknowledge the possible negative consequences/undertones. It is evident and logical that formality is a prerequisite for the growth of firms (Storey et al., 2010; Harney and Dundon, 2006). As firms grow, managers have increased competing forces and formality is required to standardise and develop efficiency through structure and management control (Lai et al., 2017). This brings with it a challenge, therefore, to balance the maintenance of control while holding onto the advantages of informality (Gilman and Edwards, 2008). Suggested advantages of informality include it being a vehicle that facilitates individual negotiation (Moule, 1998) and the potential exploitation of the relationship for an organisation's benefit. Formality brings clarity of objectives (reduced 'fuzziness and ambiguity') through rules and procedures that guide employees in their behaviour. In some respects, it brings the potential for greater consistency and distinctiveness in the relationship yet possibly at the expense of flexibility to respond to market conditions. Thus, we cannot assume the advantages of applying it in the small firm context. Equally, informality can hinder the systematic application of practices broadening the intent-implementation gap, and also raise issues in terms of fairness and equitable treatment, coupled with leaving more scope for misunderstanding.

Misunderstanding may manifest in the findings of Forth and Bryson (2018) and Lai et al., (2017), where job satisfaction dropped in response to the introduction of formalised practices as employees perceived the introduction as a monitoring and controlling mechanism. However, on the other hand, in contexts with low satisfaction pre-introduction, the introduction of HRM was perceived positively as an investment and commitment to employees (Allen et al., 2013), and seen "as a means to improve employee perception of fairness, trust and procedural justice" (Saridakis et al., 2013). Lai et al. (2017) propose that the key challenge is to introduce an appropriate level of formalisation while not undermining the potential benefits of informality. It is understandable that consistency and distinctiveness may be achieved by increased formality, reflected in greater documentation, written agreements, rules, policies and procedures (Singh and Vohra, 2009), however, close regular interactions and communication (Sheehan, 2014) is likely to bring about greater consensus, understanding and knowledge of goals (relevance). It is, therefore, unwise to prematurely associate strength with formality and weakness with informality without application in the small firm context.

3.2.4 HRM Skills

Research provides evidence of positive returns from introducing formalised management practices (eg training and incentive pay) in small firms (Forth and Bryson, 2017), however, building an argument in favour of increasing formality in small firms is weakened by the lack of HR skills that characterise small firms in general (Marlow, 2006). There is some debate over the level of formality, HRM skills and presence of HR practices in small firms, however, it is generally accepted that smaller firms are less likely to employ HR specialists/expertise than larger firms (Bryson and White, 2019; Forth et al., 2006; Boxall and Purcell, 2011), “given the lack of economies of scale to justify their presence” (Wu et al., 2013, p. 4) and “where resources are quite limited” (Mayson and Barrett, 2006, p. 447). Some evidence exists that contravenes the accepted prevailing view of idiosyncrasy and informality in small firms: Way (2002) found similar evidence of best practice in small firms as in large; and Harney and Dundon (2006) found a lower number of HRM initiatives in two larger firms in their in-depth case studies. It is a generally accepted view that the introduction of HR professionals will likely increase formality, but they may not be feasible or realistic. This has important implications for the process features, as increased visibility, validity and legitimacy will logically lead to greater distinctiveness and consistency. However, on the contrary, introducing dedicated HR expertise might affect the close social relations and reduce consensus, as previously mentioned, the introduction may be perceived as a mechanism for control and therefore, reducing the benefits of autonomy, freedom and discretion associated with small firms in general (Allen et al., 2013). Whether it is by strategic choice or limited resources impacting small firms, the introduction of formal systems is likely to influence process features, and warrants investigation

3.2.5 Unitarism

The tension between the need for flexibility to compete (Moule, 1998) and the need for formality to grow (Storey et al., 2010), reflecting an individualised versus collective approach, questions the unitarist assumptions upon which the Bowen and Ostroff framework is based. If the organisation can achieve a strong HRM system; a strong organisational climate of collective shared perceptions will reinforce managements' objectives. Some evidence of this unitarist view can be seen in the industrial harmony purported to exist in small firms in general. Forth et al.'s examination of the WERS 2004 report highlight greater trust in the employment relationship and that management were in a better position to make decisions. Edwards et al. (2006) reinforce this commentary with a review of entrepreneurial research which is seen to view these firms "as a single entity with shared goals" (p.703). This may suggest that a unitarist application of Bowen and Ostroff's meta-features can logically be conceived in small firms if one supports the 'small is beautiful' perspective. However, as previously highlighted, the strength of employee negotiation of order and co-operation referred to by Edwards (1986) as 'structured antagonism', may reflect the pluralistic reality that exists in small firms: "Co-operation and consent plainly exist, but they cannot be assumed to be part of the natural; they are socially produced and potentially unstable" (Edwards et al., 2006, p. 703); employees are not passive recipients to management's desires (Wapshott and Mallet, 2015). Nonetheless, recognition of pluralistic relations does not restrict the use of the framework, as its intention is to provide an environment where a more unitarist perspective should be fostered by increased consensus.

3.2.6 Leadership

Research and theory suggest that CEOs/leadership influence firm performance through their role in the HR practices adopted by organisations (McDermott et al., 2013), particularly so in small firms (McClean and Collins, 2018). Owner-manager/leadership plays an important role in the ability of the organisation to get employees to follow their objectives, they play a key role in message based persuasion (Ostroff and Bowen, 2016). Leadership behaviour is highly visible in the small firm setting, and their norms and behaviours set the scene for employees' views and interpretations of what is expected and rewarded (Waldman and Yammarino, 1999). What employees see influences the cultural norms for employees. Proximity enables greater interactions and contact with employees and allows leaders to develop close relations to the extent that they have the potential to motivate employees to work towards organisational goals (McClean and Collins, 2018). Regular communication and actions increase the opportunity for collective identity (Conger and Kanungo, 1998), which motivates employees to follow the organisational goals (Lai et al., 2017). The willingness of employees to exert effort often depends on the quality of the social relations and positive support that they receive from management (McClean and Collins, 2011). Employees get a first-hand opportunity to gauge what is a priority for senior management. However, where leadership lacks the required knowledge, skills and competencies, they can be exposed. In consideration of the Bowen and Ostroff framework, they possess important powers to influence the distinctiveness, consistency and consensus. Unless leaders come from an HR background, the HR function may lack a visible presence, and they may lack credibility and legitimacy. Nevertheless, leaders and owner-managers in SMEs may have high perceived power and therefore, employees may view their signals as most relevant, and in this instance, it is likely that employees will pay greater attention to the message. With a lack of HRM skills, and as seen in small firms, it may be more difficult to achieve consistency of the HRM message (Samnani and Singh, 2013), not to mention valid HR practices. Agreement and consensus may be easier to achieve among leaders/senior management, as the numbers of and layers are likely to be reduced due to the hierarchal contracted nature of small firms. Moreover, in a dynamic small firm environment, the leader's role is likely to be elevated in order to respond to changes and the system will likely follow their embedded philosophies.

In summary, literature evidence suggests that small firms do not fit neatly into typologies, given their characteristics of informality, a lack of HRM skills and their idiosyncratic responses to external conditions. These characteristics question the relevance of traditional normative and prescriptive models of HRM content which assume more stable environments. Likewise, they bring challenges to our understanding and appreciation of the process perspective and complexity in the small firm context, thus promoting the need for a multi-level in-depth examination of what is really going on. In reality, the paradox of increasing formality for growth is constrained by the necessitated informality that enables flexibility in small firms (Allen et al., 2013). The objective of the research is to provide insights into the ways in which HRM works in small firms, and therefore, the research takes an unassuming view of the case studies. The in-depth approach that is guided by the developed sensitised framework that follows in the next section of this chapter draws on Bowen and Ostroff which allows for comprehensiveness, and prevents any premature labelling or categorising of these small firms.

3.3 Summary

Evidence points to potential size-related advantages and disadvantages with respect to a strong system based on the Bowen and Ostroff features of distinctiveness, consistency and consensus. Distinctiveness may be lower due to a lack of investment in HR practices (visibility), lower levels of formal HRM skills and supports for front-line managers (Forth et al., 2006; Forth and Bryson, 2018). However, on the contrary, consensus and consistency may be higher because of informal 'harmonious relations', greater employee involvement (WERS, 2004), and closer proximity of lower management to high-level objectives. Small firm research has been preoccupied with the small is beautiful versus small is bleak debate, reflecting a harmonious versus autocratic workplace respectively. However, little if any research has focused on whether consuming the small is beautiful or bleak view has any bearing on the quality of the message transferred to employees. In an harmonious environment characterised by informality and open and friendly communication (Ram, 1999) with fewer layers of management (proximity), it may be reasonable to suggest that employees are more aware of the big idea (Allen et al., 2013). Coincidently, in an autocratic style, the message may be very clear and unambiguous because of a top-down control system. Thus, balancing the level of formality and informality through the introduction of HR practices is questionable and the generalizability of the process features warrants further investigations. Either way, research has not examined small firms for size-related advantages/disadvantages with respect to the HRM process.

The author has devised a table (see section 3.4, table 3.2 below) to summarise the process features as applied in the small firm literature. While the table below is not exhaustive, it highlights some of the challenges and tensions that exist for the use of the Bowen and Ostroff framework in the small firm context. In unpacking the literature, it has been divided into advantages and disadvantages to open up the discussion and debate, and is not intended to be definitive.

In addition to the value smaller firms can add to the examination of the HRM process, by virtue of their characteristics of smallness, they lend themselves more suitably to an examination of the whole system. Given the complexity involved in exploring the relationship, it has been recommended that "researchers will need to seek out contexts with reduced complexity such as…. small businesses where reduced complexity will provide more meaningful measures of potential moderating variables" (Allen and Wright, 2010, p.100). A close examination of the small firms may improve our understanding of the influence of process features on the effective management of employees. With this in mind, the next chapter (research methodology) justifies the appropriateness of the intensive qualitative case studies to capture the complexity and hopefully shed light on the utility of a process perspective. The complexities uncovered in the literature fuel the need for a qualitative approach that considers the "generally ignored'.. 'embedded and contextualised nature of HRM" (Jackson et al., 2014, p. 31).

3.4 Process Summary Table 3.2

Summary of small firm literature applied to process features (Author's own interpretation).

Meta-feature	Component	Prospective Small Firm Advantages	Prospective Small Firm Disadvantages
Distinctiveness -Evidence would suggest that distinctiveness is likely to be weak given the low level of formality -Distinct bundle (Drummond and Stone, 2007), generally a lack of distinct bundle given the idiosyncratic response where informality and individuality prevail- - plus lack of HRM skills (Cardon and Stevens, 2004)	**Visibility** – Guest (2011) found the greater the number of HR practices, the greater the HR effectiveness and performance	A strategic intention to avoid formality (Moule, 1998) may provide greater flexibility for management by keeping employees in the dark: -An organisation advantage and -An employee disadvantage Purcell et al. (2003) found 'that dissatisfaction with existing policies is a more powerful demotivator than an absence of policies' cited in Gunnigle et al. (2011, p. 72), reflected in Cushen and Thompson's (2012) angry workers	-Low visibility of HRM reflected by less sophisticated HR practices (Marlow, 2006) -Lacking the number and range of practices compared to larger organisations (Forth and Bryson, 2018; Bryson and White, 2019) -'More is better' view of HRM content (De Winne and Sels, 2013).
	Understandability	-Informality may allow for increased understanding and consensus through social exchange (Allen et al., 2013) -Informality is assumed to encompass more open and participative structures (Verreynne et al., 2013, p.423) Short communication line increases strength (Delmotte et al., 2012)	Formality (although not prevalent) may provide for improved communication and clarity (Forth and Bryson, 2018) Gilman and Edwards (2008): "ER 'best practice' stresses formal systems and extensive communication with staff, but to the extent that SMEs are particularistic and authoritarian such best practice will be a dead letter" (p.534),
	Legitimacy of Authority	-Perceived power legitimacy coming from top management involvement (Donaldson, 2001), -Greater 'perceived power' achieved by regular owner/managers role involvement (Sheehan, 2014) - Guest (2011) suggests that messages need to come from top mgt. and not the HR dept.	-Unlikely to have HR professionals, therefore lacking visible HR legitimacy, (Marlow et al., 2010) - also a lack of HR expertise Wu et al., (2013) and Forth et al., (2006); Forth and Bryson, 2018
	Relevance- Relevance highlights why we cannot leave employees views out of the debate	Greater input and individualised idiosyncratic relationships, as employees are not passive recipients to mgt. conditions (Ram, 1991) – closer working relations and regularity of interaction develop greater sense of belonging and participation leading to attachment and subsequently internalisation of organisational goals (Allen et al., 2013)	Mayson and Barrett (2006) argue that non-strategic practices, characterised by informality do not necessarily recognise the "value of employees" (p. 448). -Lack of experience in employee management and idiosyncratic approaches prevent transparency (Lai et al., 2017)

		employees pay attention to senior management involvement – Bolton Enquiry (1971) employees can more 'easily' see the relationship between individual and org. objectives	
Consistency – -Lower staff turnover (Cardon and Stevens, 2004) and because employees get 'trapped' in SMEs (Raby and Gilman, 2012), thus staying longer, the likelihood of a consistent message increases, however, - a lack of skills levels and formality (Cardon and Stevens, 2004) may reduce consistency Employee negotiation powers (Moule, 1998). Less formal practices allow for greater individual negotiation which may increase understanding, visibility and consensus, however, consistency may be lower over time due to individual negotiations	**Instrumentality**	Bryson and White (2019) suggests that small firms have greater levels of 'well-being' (2006), greater levels of 'job satisfaction' (Tansel and Gaziolgu, 2013) and more 'positive attitudes' (Bryson and White, 2019 - Positive working environment and sense of belonging is conducive to attachment (Allen et al., 2013)	-Lower - Rainnie (1989) and Storey (1994) found generally poorer conditions and longer working hours in small firms. MacMahon (1996) found high levels of employee turnover attributed to strict management styles.
	Validity - They also found that although an organisation might have more formalised practices, "the 'way' policies were implemented was at times found wanting" (p.60). Harney and Dundon (2006)		-Lower skill levels evident in SMEs (Wu etal., 2013) -Weakness because of a lack of HR expertise (Boxall and Purcell, 2011; Forth et al., 206; and Wu et al., 2013) -Informality, individuality and idiosyncratic approaches to HRM prevails in small firms (Cardon and Stevens, 2004; Mayson and Barrett, 2006; Edwards et al., 2001; Marlow, 2006)
	Consistent HRM messages	Less turnover of managers leading to a more consistent message (Razouk, 2011) Lower staff turnover and longer tenure in SMEs including management, may increase strength through improved consistency (Razouk, 2011)	-Less access to HR skilled professionals and sophisticated practices -Lack of formality and skills, less structures governing procedures and communication Informality – less likely to achieve consistency due to less documentation and systemisation (Sheehan, 2014)
Consensus – - informality may lead to greater social exchange and agreement – also greater mutual adjustment Wapshott and Mallet (2012) -increase in formality through the introduction of a team leader caused a reduction in satisfaction by employees (Ram 1999)	**Agreement among principal HRM decision makers**	Fewer layers and numbers of managers involved – greater opportunity for alignment (Sheehan, 2014; Verreynne et al., 2013)	Not formalised – lacking clarity Lack of relevant HRM skills
	Fairness – perception important	-Trust, EI and commitment WERS 2004 & 2011 (Forth et al., 2006; Forth and Bryson, 2018. -Harney and Dundon (2006) found employees more satisfied and committed in small firms – this may prompt greater levels of perceived fairness -Bolton Enquiry (1971), harmonious relations and greater understanding of objectives •Proximity enabling close relations and interactions promoting attachment (Lai et al., 2017)	Lower wages achieved through individual negotiation (Ram, 1999) and replaced by the 'open and friendly' approach (p. 24). WERS 2004 & 2011 – evidence of lower wages in small firms. relatively lower pay and fringe benefits, little training, and sometimes coercive forms of supervision and management (Rainnie, 1989

3.5 Proposed Sensitised Framework

3.5.1 Rationale for the Framework

Having assessed the inadequacies of exclusive content-based research and given the social and political complexities of the process, the researcher utilised a guiding sensitising framework (see Figure 2 below, p. 75). The sensitised framework responds on many fronts, but primarily, it promotes an holistic and comprehensiveness approach to enquiry in order to answer the questions. The "aim is to foster a more integrated conception of HRM with … the way workers experience the whole management process and culture of the organisation" (Boxall et al., 2010, p. 8). The sensitised framework enables "integrating multiple levels of analysis" (Wright and Nishii, 2007, p. 4), from intended to actual to perceived. The sensitised framework presents a multi-level model of SHRM (Bowen and Ostroff, 2004), which "argues that HR practices serve as communication mechanisms signalling employees to engage in certain behaviours; relying on communications theory they contend that different aspects of HRM systems impede or facilitate this communication process" (Wright and Nishii, 2007).

Ostroff and Bowen (2016) recommend that research needs to take a comprehensive view, which is enabled by the sensitising framework as it provides guidance for the inclusion of the relevant elements. Research needs to go beyond 'surface' level examination of the HR practices ('presence'), include those most affected ('employee's views'), allow for context, apply in-depth enquiry to surface the social and political complexities that shape relations, and tackle the complexities that exist in the conversion/enactment process. The lack of linear relationships between practices and performance, calls for more in-depth examination to capture a holistic picture of the integration between chosen practices, their implementation process and the perceptions of all parties involved (represented by stages 1, 2 and 3 of the diagram). This requires an in-depth examination of the social phenomena bringing together many variables that have been examined in isolation previously. With this in mind, the research takes an analytical view to the operations of smaller firms as it captures the 'what', 'why', 'how' and 'how well' of the process.

This study is one of the first attempts to capture the entire process in a holistic sense, by using a novel in-depth analytical HRM (AHRM) approach to the sensitised elements; it is perceived that it will shed some light on 'how' HRM operates. The AHRM view responds to Haggerty and Wright's (2010) call for a "more qualitative and contextual methodology", by taking a systems-level of analysis to the constructs and variables and responding to the higher-level properties of the model that have been overlooked (Ostroff and Bowen, 2016).

Boxall et al. (2010) summarise three important characteristics of analytical HRM, which provides guidance for the research objectives reflected in the framework, as it captures; one: the HRM content view represented by stage 1 of the diagram (Intention) and includes the 'what' and 'why' question, what practices are going to lead to the desired behaviour; 'towards desired ends' (p. 1) (why they are chosen reflects the expectation for strategic alignment; fit); two: HRM as processes (as opposed to the HRM process) represented by stage 2 (Implementation) of the diagram and includes the 'how' question, how the chain of processes 'work well (or poorly)' (p. 7) (reflecting the operational perspective that ensures implementation); three: the 'how well' represented by stage three (Perceptions) of the diagram which reflects the views and perceptions of the employees and management as to its success. Although ambitious and aspirational, with comprehensiveness at the heart of the study; the objective is to extend/advance our understanding of the influence of the HRM process. For critical realists, particular emphasis is placed on developing a multi-layered explanatory model that encompassed the system as a whole (Harney, 2009). The theoretical argument is that the practices act as communication mechanisms, and the process features influence their successful transfer ie. conversion. The approach draws on the 'explanatory power' (Ehrnrooth and Bjorkman, 2012) of the Bowen and Ostoff model to shed light on the process perspective.

This, suggests that we need to consider the 'what', 'why', 'how' and 'how well' of the HRM process and its influence on managing employees. Ultimately, how does the system successfully convey the message to employees and persuade them to act on it. Taking an AHRM view to apply the Bowen and Ostroff framework (2004) provides a more integrated multi-level examination of the mediating process, where rich explanatory accounts are likely to improve our understanding (Boxall et al., 2010).

By following the proposed sensitised framework, it considers the conversion process by including intent, implementation and perception (conversion), but in order to do this, one must first know the organisational goals/strategy and the practices (content), in order to examine how process features influence their success, so the message is not ‘lost in translation’ (Bartram, 2007).

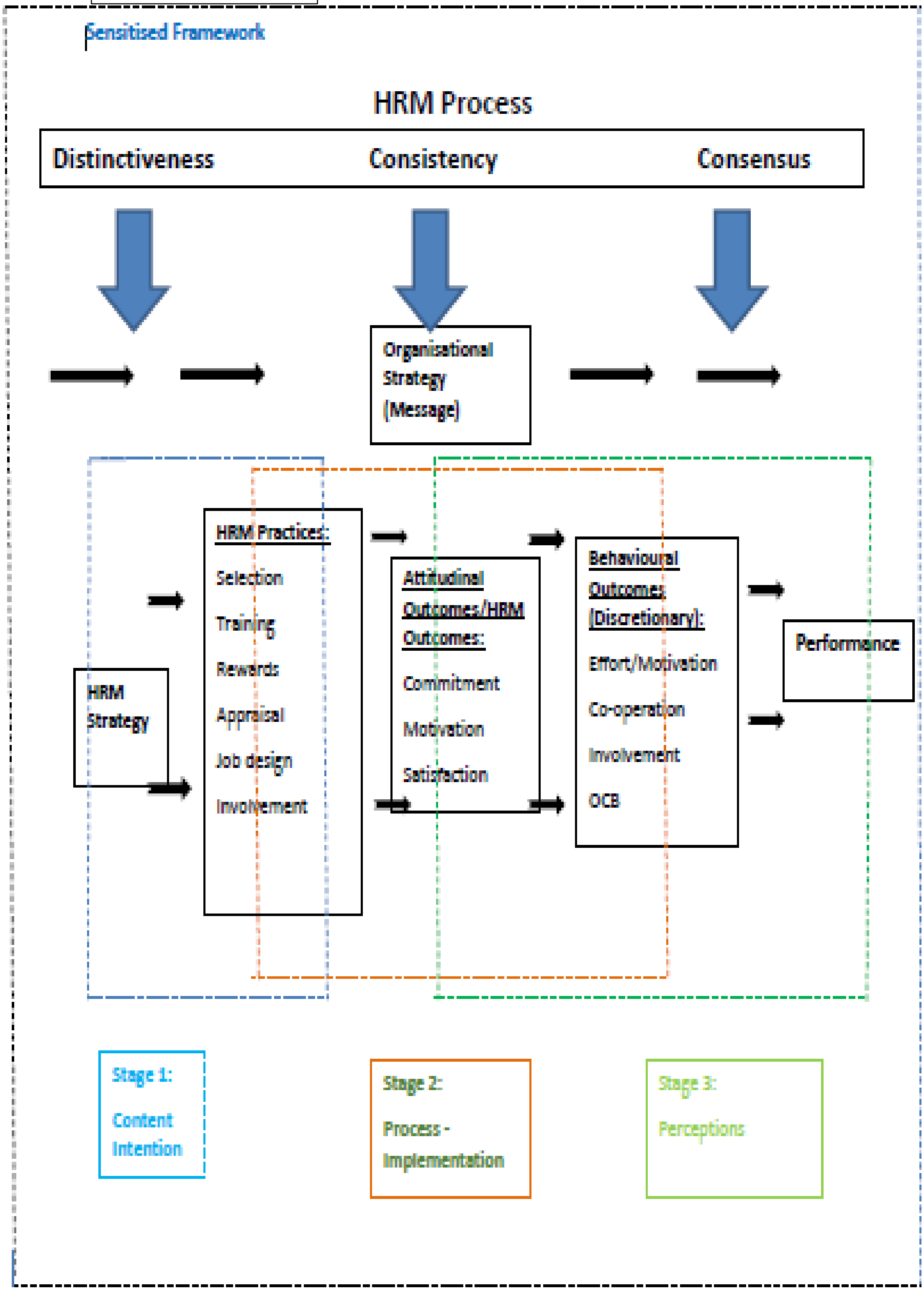
3.5.2 Proposed Sensitised Framework

Framed within an analytical HRM approach (Boxall et al., 2010) a sensitising conceptual framework is presented which serves to capture a holistic and comprehensive examination of the ‘totality’ of events in these cases (Barrett and Rainnie, 2002).

See Figure 2 Sensitised Framework below

Source: Authors Research Framework

Figure 2


Sensitised Framework
HRM Process
Distinctiveness
Consistency
Consensus
Organisational Strategy (Message)
HRM Strategy
HRM Practices:
Selection
Training
Rewards
Appraisal
Job design
Involvement
Attitudinal Outcomes/HRM Outcomes:
Commitment
Motivation
Satisfaction
Behavioural Outcomes (Discretionary):
Effort/Motivation
Co-operation
Involvement
OCB
Performance
Stage 1:
Content Intention
Stage 2:
Process - Implementation
Stage 3:
Perceptions

There are five key components to the sensitised framework. Firstly, Guest's model (1997) of HRM is used to provide the structure (backbone) to the framework and is primarily for visual purposes and diagrammatical form as opposed to testing the make-up and components of Guests model. As such, it provides guidance for the research enquiry and provides structure to the relationships. Although difficult to demonstrate diagrammatically, it assumes a linear relationship and fails to account for an iterative process that may ensue. Secondly, as mentioned previously, the AHRM views are accounted for by the three stages: intention (stage 1), implementation (stage 2) and perceptions (stage 3). Thirdly, the message to be transferred is represented by the strategy and fourthly, the outer broken line is purposeful as it allows for an appreciation of the external environment. Lastly, the HRM process features of distinctiveness, consistency and consensus influence the conversion process. The framework is purposeful in taking a higher-level view of the HRM process, suggesting that all three metafeatures may have an influence on the three stages of intention, implementation and perception (conversion process). This avoids assumptions/presumptions that distinctiveness relates only to the content (practices). It also avoids the risk of associating consistency with implementation only (stage 2), thereby losing out on the importance of consistency of practices or fit (at intention stage – stage 1). The design aspiration is to surface the 'larger HR message' as proposed by Ostroff and Bowen (2016), with a hope that the message is distinct, consistent and there is consensus, which improves the likelihood of a common shared understanding of management's expectation.

CHAPTER FOUR

Research Methodology

4.1 Introduction

This chapter begins with the research question and its objectives. This is followed by a review of the shortcomings of existing empirical research attempting to answer this question, and the philosophical logic on which the present qualitative methodology is based. The methodological approach of intensive case investigation is justified on two fronts; a constructivist approach is appropriate for the topic under investigation and secondly, the method responds to the limitations of empirical research by offering a more holistic view. The research design outlines the steps taken to explore the research question, and how the sensitised framework guides the research. It continues with a description of the design stages and the methods used to examine the cases, followed by an evaluation of the research approach and appreciation of the limitations.

4.2 Research Motivation

Recent work in HRM has moved beyond an exclusive focus on the content of practices; where 'content' represents the choice of HR practices ('presence') and their quantitative relationship to performance, to explore a 'process' perspective which represents the implementation/conversion/enactment process of HRM. Chapters 2 and 3 indicated how this emergent process approach may enable a better understanding of how HRM is managed in the context of SMEs. Drawing on the work of Bowen and Ostroff (2004/16), the current study shifts emphasis to the important role the HRM process features play in influencing the signals sent to employees, their subsequent behaviour and how they can influence the realisation of strategy. Bowen and Ostroff suggest that process strength features can reduce the gap between management intentions and realities as experienced by employees (Wright and Nishii, 2004). Specifically, Bowen and Ostroff argue that process features have the potential to "send signals to employees that allow them to understand the desired and appropriate responses and form a collective sense of what is expected" (Bowen and Ostroff, 2004, p. 204). Arguably, this is an objective furthered in the context of high skilled service-based organisations where employees are likely to have greater discretion over the quality of the service delivered and therefore a more direct and significant influence on success (McClean and Collins, 2010; Samnani and Singh, 2013). Importantly, "the HRM system strength concept helps weave together the systems approach and strategic perspective on the HRM–firm performance link by enabling the creation of a strong organizational climate for a particular strategic focus—for example, service or cost leadership" (Ostroff and Bowen, 2016, p. 207).

Increased recognition of the limitations of the 'content' literature point to the need for more in-depth research (Guest, 2011; Jackson et al., 2014) in order to explain "what happens in practice" (Boxall et al., 2010, p. 4). Surface level content examinations have dominated empirical research and have resulted in positive associations at best, however, they fail to unpack the reality that lies beneath (Guest, 2011). In light of the social and psychological dimensions of the Bowen and Ostroff framework, and given the social and political complexities that permeate workplace relations as recognised for large and small firms alike (Sanders et al., 2014; Ram and Edwards, 2003), the current effort sheds new light on the impact of process features, by taking a much needed multi-level qualitative exploration to the entire system as reflected in the sensitised framework (see section 3.5, Figure 2, p. 75).

In line with the proponents of the Bowen and Ostroff model and examinations of the model, albeit largely quantitative (Cafferkey et al., 2018), the current approach holds employee perceptions at the heart of the research frame, as they are best placed to comment on how the system and its practices affect them. This is something increasingly called for in HRM research (Guest, 2011) and equally noted for better understanding in the small firm context (Verreynne et al., 2013; Sheehan, 2013; Gilman and Edwards, 2008).

By prioritising explanation over prescription, the current constructivist approach acknowledges that reality is socially created, and therefore adopts an in-depth qualitative case study approach, which enables "a more nuanced understanding of how and why such systems work" (Monks et al., 2013, p. 391). Exploring the features in a successful small firm may provide 'general principles of commonality' for the management of work and people (Boxall et al., 2010). Becker and Huselid (2010) suggest "a new emphasis on integrating strategy implementation as the central mediating variable in the HR-performance relationship" is required (p. 367). At the heart of the study, facilitated by a qualitative case study is a greater understanding and appreciation of the influence of the HRM process.

4.2.1 Research Question and Objectives

Research question: how does the HRM process influence the management of employees in a small firm context?'

Using the Bowen and Ostroff framework (2004) as a guiding lens, and in its simplest form, the research sets out to examine the influence of distinctiveness, consistency and consensus on the conversion process. As previously described, the conversion process represents the merging of the pillars of AHRM, by combining intention (stage 1 – 'what' and 'why'), implementation (stage 2 – 'how') and perceptions (stage 3 - 'how well'). The term conversion is chosen as it implies the ability to successfully transfer the HRM message (reflective of the 'larger HR message' as proposed by Ostroff and Bowen (2016, p.197).

In order to do this, we must ask the following questions:

- Is the HR message distinct?
- Is the HR message consistent?
- Is there a consensus on the HR message?

Based on the answers to the questions above, the study examines how these features influence the successful management of employees. In order to achieve this, we must first know the message to be transferred (strategy), and the medium through which it is delivered (content practices). This guides the research questions and responds to the sensitised framework promoting a holistic and comprehensive agenda. In doing so, the framework promotes a simultaneous content and process examination of the cases (Sanders et al., 2018). The logic of AHRM guides the design, by incorporating the what, why, how and how well of the process; as seen in table 4.1 below.

Table 4.1 Research Questions

Research Questions	**Strategy**	**Meta-Feature**
Stage 1: Intention: What and Why Content: 'What' HRM practices/policies have been adopted and why? What are the intended practices from a management perspective? What are the organisational objectives? What practices exist and why are they chosen? How are they bundled together, what were the intentions behind them? What is the HRM philosophy around choosing them? Is the bundle ***distinct***? What contextual contingencies exist, and how do they affect the choice?		**Distinctiveness**
Stage 2: Implementation: How Processes: 'How' do they operationalise/implement their practices? What happens in practice? Is there a ***consistent*** approach applied by managers? What processes are used to implement them and how they operate? - Views from different management levels. What supportive structures exist for management? What role FLMs play in the implementation process? Their understanding of the message. How do the characteristics of small firms influence the process, eg. Informality	**Organisational strategy (message)**	**Consistency** **Consensus**
Perception: How well – as perceived by management and employees Perceptions: How are practices perceived by employees? 'How well' are they perceived by employees? Are there any gaps between management and employee's perceptions, if so, why? Is there ***consensus*** amongst employees, and between managers and employees about the intentions of the HR practices?		

Source: Compiled by author.

Following a process perspective, the research is based on intensive case studies that examine how 'message based persuasion' (Bowen and Ostroff, 2004, p. 208) is applied or rendered effective through the stages of intention, implementation and perceptions, as documented in table 4.1 above. The Bowen and Ostroff framework suggests that nine process features enable a strong HRM system. These nine features are grouped into "three attributional metafeatures: (1) distinctiveness (visibility, understandability of practices, relevance of the practices to strategic and individual goal achievement, and legitimacy of authority of the HR function), (2) consistency (instrumentality by establishing cause-effect relationships, validity of practices, and consistency in messages across employees), and (3) consensus (agreement among message senders and fairness of practices), which work in concert to deliver the larger HR message" (Ostroff and Bowen, 2016, p. 207). The model has been viewed as a useful mechanism "to examine the extent to which the process features increase the explanatory power of HRM compared to the more content-focused operationalizations used in prior research" (Ehrnrooth and Bjorkman, 2012, p.1129). As of yet, this approach has not been applied to the context of smaller organisations where surfacing and analytical assessment of process features may hold particular value (see Chapter 2, also Drummond and Stone, 2007).

Ostroff and Bowen's (2016) most recent review highlights that the aim of the process features is to support the transfer of the 'larger HR message'; where practice (content) and process must work in tandem to deliver the higher-level message (the sum is greater than the individual parts). The researcher proposes that an in-depth qualitative method enables an animation, appreciation and accommodation of the processes and mechanisms that may render a successful conversion process. HR practices are the medium through which signals and their messages are transferred, how well they are converted into desired action is influenced by the HRM process features. The in-depth case studies allow for a simultaneous examination of content and process, thus responding to recommendations (e.g. Cafferkey et al., 2018). It also extends, and provides a theoretical anchor, in support of Samnani and Singh's (2013) call for a more comprehensive assessment and contextualization of HRM in a smaller firm setting while equally responding to calls for more research examining for 'fit'.

The practical application of system strength for smaller firms is that finite resources may not get wasted on practices that are ineffective e.g. sophisticated recruitment or employees voice which may not be viable or necessary in this context (Harney and Dundon, 2006). Also, there is a greater possibility of realising organisational goals because of shared perceptions. The benefit of the current study is therefore twofold. It may help improve our understanding of the influence of process features and, secondly, it sheds light on the HR dynamics of small firms. By so doing it speaks to calls that, "Future research should investigate how HRM practitioners can use the HRM process approach to improve their work" (Sanders et al, 2014, p.500)

4.3 Methodological Rationale

The rationale for the methodology is based on theoretical and empirical grounds. We begin with the empirical shortcomings that fail to shed light on "what happens in practice" (Boxall et al., 2010, p. 4) and its inability to capture 'totality'; given all the complexities at play (Barrett and Rainnie, 2002). These shortcomings build towards a theoretical basis for the method chosen, which emphasises the need for in-depth research to account for the social and psychological dimensions on which the Bowen and Ostroff framework is based, as opposed to the limitations of surface-based research. In addition, a rationale for the sensitised framework is outlined detailing how it responds to overcome both the theoretical and empirical deficiencies.

4.3.1 Empirical Shortcomings

The literature review (Chapter 2) critically analysed the inability of empirical research to explain how HRM impacts take effect (Boselie et al., 2005). In doing so, it re-affirms the "inadequacies of current approaches to…. capture the complexity of HRM in SMEs" (Harney and Dundon, 2006, p. 50). The limitations of the 'content' literature pave the way to growing calls for more in-depth qualitative research (Guest, 2011; Jackson et al., 2014). In a comprehensive review, Jackson et al. (2014) suggests that we need to go back to some of the earlier "intellectual seeds planted during the founding years", and embrace "a more systems thinking" approach (p. 31). Similarly, Monks and colleagues have argued that "there are still gaps in our understanding of some of the core processes underpinning the ways in which HR systems work" (Monks et al., 2013, p. 382). In line with the proposed sensitised framework, the current comprehensive and analytical approach responds to a lack of efforts to capture intent, implementation and perception in the mediating/conversion process, as outlined in the sensitised framework (see section 3.5, Figure 2, p. 75).

The literature review chapters captured the inadequacies of empirical research. One longstanding criticism is that the "majority of existing SHRM studies are based upon 'tick-box' (yes/no) surveys of only intended HR practices by providing respondents with a list of pre-specified HR practices and asking them if these are present or absent in their organisations" (Khijli and Wang, 2006, p. 1173). For a long time research excluded the employees' views in exchange for responses usually from a single source in an organisation, most often the HR managers or senior manager (Purcell, 1999; Truss, 2001). As Guest (2011) noted "there is a risk of neglecting some core questions in favour of statistical rigour and abstract empiricism" (p. 11). As an example, it is very difficult to envisage how an employee/ employees could sufficiently answer such a complex question with a yes or no response; "The HR department undertakes exactly those actions that meet our needs" (Delmotte et al, 2012). It is for these reasons the researcher adopts a more in-depth, context sensitive qualitative approach as opposed to surface-based content perspective that has dominated empirical research. This goes to the heart of the research, finding out the meaning behind employee views.

While simultaneously responding to the limitations of content-based HRM research, the current effort takes both content and process into account, while paying particular 'attention to context' (Sanders et al., 2014, p. 496), thus enabling a systems-level view. More closely, the current research responds to two key empirical challenges, with the first based on content deficiencies in existing research (Guest, 2011) and the second; a lack of a comprehensive and higher-level examination of the process perspective (Ostroff and Bowen, 2016), particularly so in small firms. Fast forward 10 years from their seminal piece on the conceptual framework and Ostroff and Bowen (2016) note in their reflection piece that; "in empirical studies attempting to directly assess the concept of HR system strength, researchers have not tended to examine HRM strength as a higher-level property of the HR system as originally intended" (p. 6). Without a comprehensive qualitative context-based examination, it would be difficult to improve our understanding of the internal dynamics and operations of these small firms.

The empirical deficiencies are now discussed via five limitations of the content perspective to take a comprehensive and holistic approach.

4.3.1.1 Fallacy of Presence

One of the first limitations of empirical research is the preoccupation with the measurement of the 'mere presence' (Purcell, 1999) of practices, and this is something that has equally filtered down to small firm research (Doherty and Norton, 2014). Research assumes a denaturing view of small firms (Harney and Dundon, 2006) implying that small firms are diluted versions of large firms. Arguably, smaller firms have been overlooked because of the preoccupation associated with examining the 'content' of formal HR practices, given that these are less likely to exist in smaller firm environments where informality prevails (Verreynne et al., 2013). The search for practices (content) is undermined by small firm characteristics of informality, low sophistication of HRM practices and a lack of HRM skilled professionals (Forth et al., 2006). Evidently "the use and effectiveness of informal management will not be captured in a survey" (Sheehan, 2013, p 549). In addition, the generalizable objective of quantitative measurement of practices may have limited relevance in a small firm context given a tendency for idiosyncratic and individualistic responses to their contextual factors (Harney and Dundon, 2006; Gilman and Edwards, 2008). In contrast, in a similar vein to the HRM philosophy (Monks et al., 2014), the process features operate at a level which may be more "generalisable and universal" (p. 380) and so are "easily applicable in different settings" (Delmotte et al., 2012, p.1485). For example, the perception of 'fairness' is more generalizable and important than an actual rewards package, and it is reasonable to suggest that the complexity of perceived fairness will unlikely be captured in a tick box survey. Or at least the reason behind the perception; which tells us "what is really going on" (Boxall et al., 2010).

4.3.1.2 Intention-Implementation Gap

A second limitation of the content-based research is that it presupposes implementation as intended, when in effect; evidence suggests that there is frequently a gap between management's intentions and actions (Wright and Nishii, 2004). Wright and Nishii (2004), Purcell and Kinnie (2008) and Purcell et al. (2009), emphasise two important contributions in their people performance causal chain models including that actual practices may not be implemented by managers as intended, and secondly, these practices may not be perceived as intended by employees rendering examinations based solely on content views as limited. By contrast, the current multi-level integrated approach captures both management and employees views simultaneously and sheds new light on meta-features such as consistency.

Were a tick box survey to be applied in these two case study organisations, the two MD's might share a common title, but little about their management practices. The cases bring to light different approaches and philosophies by the MDs and employee's perceptions of their credibility.

4.3.1.3 Employees Views

As a third limitation, and one of the premises on which the Bowen and Ostroff framework is based, overwhelming evidence of research into HRM practices and systems has omitted the views of employees (Guest, 2011; Geare et al., 2014). This is especially the case in research on SMEs which has paid scant attention to the experiences and perceptions of employees, thus leaving those likely to have the greatest insights outside the research frame (Verreynne et al., 2013; Sheehan, 2013; Gilman and Edwards, 2008; Mohamed and Harney, 2017). In order to examine the process ('how'), it is important that the views of the employees are considered (Cafferkey et al., 2018). Verreynne et al. (2013) promote the inclusion of employees generally, but even more so in small firms characterised by informality; employees are the ones that effectively understand the systems where informality is "understood best by those who enact them" (p. 424). Ethnographic work by Ram (1991) and Moule (1998) offer a few exceptions, providing important examples of where employees demonstrate powers to prevent management from imposing linear normative versions of HRM. Moreover, the hierarchically contracted nature of small firms makes the impact of employees more transparent and further justifying the need for their explicit consideration in this context.

4.3.1.4 Social and Political Complexities

The omission of employees' views is symptomatic of a lack of in-depth research to capture the social and political complexities that characterise the employment relationship (Sanders et al., 2014; Dundon and Rafferty, 2018). Boxall et al., (2010) note a positive shift in direction for HRM research in the last decade to a consideration of the internal workings of the organisation through examining 'interactions' of management and employees. This shifts emphasis in the relationship from explicit (content) practices over to the importance of the implicit understanding of the relationships between management and employees. There is a constant interplay of negotiated consent (Edwards, 2006), mutual adjustment (Wapshott and Mallet, 2012) and understanding between management and employees, which may be facilitated by the informality that prevails in small firms. Strategic tensions and political power permeate the relationship, and it is unwise to assume predictability of behaviours from employees (Sanders et al., 2014) as with prescriptive models; employees are not passive recipients to management's requests (Ram, 1991). Thus, we do not know how they are going to respond to practices, even if they do exist. Employees are individualistic in the sense that they bring their own cognitive meaning to what they observe and are exposed to (Heider, 1958). This potentially inhibits the "intended effects of the HRM system" (Colakoglu et al., 2010, p. 39). Built on both attribution and social exchange theory, the Bowen and Ostroff framework signifies the importance of interactions and the influence of social contexts which cannot be examined at surface levels, supporting Monks et al. (2013) and Jackson et al. (2014) call for qualitative depth.

4.3.1.5 Allowing for Context

Many studies of small firms (e.g. Holliday, 1995; Ram, 1991; 1994; and Moule, 1998) highlight the importance of the negotiation power of employees in informing how HRM is realised in small firms. In line with Bowen and Ostroff's (2004; 2016) recommended higher-level analysis, they propose that any examination of small firms needs to capture the small firm context and not just the small firm itself.

Context is important in all organisations, as external pressures may shape and constrain the HR practices that management chooses (John, 2018: Farndale and Paauwe, 2018). Similarly, the context may influence the perceptions of employees, as to whether they are being treated favourably, and if not so, what power have they to negotiate. Context is elevated in small firms, as small firms are more vulnerable to external market conditions (Harney and Dundon, 2006), therefore, research needs to consider how they respond to these conditions and what impact context has. Although not externally focused, the case study approach allows for external influences to be captured. The context becomes important in relation to the level of power employees hold as it is expected that the higher the skills the higher the power to negotiate. Context is especially important in the context of service-based organisations, where it is expected that employees have more influence over the quality of the service delivered (Samnani and Singh, 2013). Additionally, it is acknowledged that within these information intensive industries, employees may ‘command greater respect’ (Scase, 1995) and future research needs to accommodate ‘individual perceptions’ (Wapshott and Mallet, 2012).

In summary, the empirical limitations outlined fuel the need for a qualitative approach that considers the ‘‘generally ignored’.. ‘embedded and contextualised nature of HRM’’ (Jackson et al., 2014, p. 31). In general, there has been an acute shortage of research analysing the relationships between strategy, HR practices and the realisation of performance in small firms (Chandler and McEvoy, 2000). Therefore, the method adopted enables a greater appreciation of the ‘complexity’ of HRM in small firms.

4.3.2 Philosophical Logic

Having reviewed the empirical shortcomings, it is important to consider the meta-theoretical logic for an in-depth qualitative approach to the research. This assessment begins from the premise that all research used in the right context and conforming to metha-theoretical logic is valid. The study is not confined to either end of an epistemological positivist-interpretivist or ontological subjective-objective continuum. The meta-theoretical logic guiding the research falls somewhere between both, but more closely aligns with an interpretivist orientation. Setting out to explore predetermined features of distinctiveness, consistency and consensus strays into a post-positivist territory, where evidence may lead to predictions in a ‘probablistic sense’ (Pate and Malone, 2000), nevertheless, the researcher allows the opportunity for themes to emerge falling on the side of qualitative paradigms. In doing so, the study extends or advances the significance of the HRM process based on the Bowen and Ostroff framework. So as opposed to theory generation, the objective is to advance our understanding of the influential role of the HRM process in managing employees, while simultaneously shedding light on smaller firm HRM.

Both ends of the subjective-objective continuum imply a different set of assumptions and these assumptions guide the form of enquiry. Burell and Morgan (1979) argue that different combinations of underlying assumptions will determine the choice of research method chosen, but most importantly, “the methodological question cannot be reduced to a question of methods; methods must be fitted to a predetermined methodology" (Guba & Lincoln, 1994, p. 201), and in these cases, it is about understanding and appreciation.

A post-positivist (critical realist) meta-theory falls between both ends of the continuum of positivist/deterministic and constructivist, guided by the realisation that individuals cannot be assumed to respond in a mechanistic way or in a predetermined fashion. This research draws on the nine predetermined features of the Bowen and Ostroff framework which were explored through the semi-structured interviews, and given the generalizable properties of the process features it could be suggested to hold 'probablistic' assertions. Notwithstanding this; this social research inquiry will adopt a pragmatic stance, an approach that sits comfortably with the researcher's realist stance; an acknowledgment that everything is dynamic and a logic, grounded and transparent understanding is the best that we can hope for. Reflecting on the research paradigm: "instead of confining their research within methodological purism, scholars may need to deploy any research paradigm to investigate a phenomenon in its context', and a critical realist view 'provides an ontological grounding for interpretivist research reaffirming the importance of a focus on context, meaning and interpretation as causal influences" (Syed, Mingers and Murray, 2010, p. 71), with understanding, accommodation and appreciation at the heart of this study.

Following Monks et al. (2013), the present effort sought to "go beyond mere descriptions of HR systems to provide a more nuanced understanding of how and why such systems work" (p. 391). It is not surprising that the complexity of the HRM performance relationship necessitates a move towards a systems-level of analysis and away from a reductionist view (Colbert, 2004). Following suit, the current sensitised framework and in-depth enquiry combine to respond to the objectives of understanding and comprehensiveness, while allowing for context, and simultaneously enabling a higher level view as recommended (Ostroff and Bowen, 2016). Please refer to the sensitised framework (see Framework section 3.5, Figure 2, p. 75) for a visual representation of the complex relationships.

Qualitative research is not a particular set of techniques but an approach, which is contingent on the nature of the phenomena to be studied (Morgan and Smircich, 1980). The intention of qualitative research is to view subjects in their entirety and as part of a whole rather than as isolated entities reduced to a single hypothesis. The researcher's intentions are to get close enough to experience the situation in which the subject matter is immersed, either by participation or indirectly through extensive and intensive interviewing or observation, as in this case.

In taking a qualitative view, the current approach responds to the limitations of previous research on theoretical and empirical grounds by taking a more comprehensive systems view to the influence of the HRM process. The literature review highlighted the lack of HRM research to capture the social and political complexities of the workplace, and this is further complicated by the social and psychological processes on which the Bowen and Ostroff framework is based. By prioritising explanation over prescription, the current approach acknowledges that reality is socially created; the agenda is to provide rich explanatory (Ehrnrooth and Bjorkman, 2012, p. 1130) accounts of the internal workings. An in-depth qualitative approach provides an opportunity to appreciate that "HRM systems come alive in social interactions among organisational members" (Jackson et al., 2014, p. 4). Guided by a constructivist view of the social complexity that characterises interactions between management and employees means that attempts at prediction are superseded by a desire for understanding of the relationship. Following a critical-realist approach helps accommodate both content and process without privileging either (Harney, 2009), and we now turn to emphasising the importance of incorporating both in the next section.

We conclude the philosophical argument with the view that, "Given the complexity involved in creating effective HRM systems, qualitative research methods may prove especially useful" (Jackson et al., 2014, p. 37).

4.3.2.1 Content and Process

In response to Cafferkey et al.'s (2018) recent suggestion to incorporate both HR content and process 'simultaneously', albeit not quantitatively as implied, the current effort increases "our understanding and theorisation of the processes with which HRM activities influence positive work outcomes" (Cafferkey et al., 2018). The combined content and process exploration is enabled by the chosen multilevel integrated and qualitative examination, where comparisons can be made in order to capture the actual reality as opposed to intended, and thereby privileges explanation over prescription.

The omission of either content or process may point to a weakness in empirical studies, as both influences the signals sent to employees (Sanders et al., 2018). While simultaneously responding to the limitations of content-based research of the HRM performance relationship, the current effort takes content and process into account, while allowing for context (Sanders et al., 2014, p. 496), thus enabling a systems-level view.

4.3.3 Case Study

Having argued the need for comprehensiveness, the case study method responds to the demands of the research question, and the objectives and as outlined in the proposed sensitised framework i.e. an exploration of intention, implementation and perceptions (all three stages of the sensitised framework). The qualitative method allows for understanding, accommodation and appreciation while enabling a 'situational context' examination promoted by Ostroff and Bowen (2016) in the ten-year review of the HRM process. Given the limitations of survey-based research outlined above, more qualitative methods were chosen to explore in-depth the nuances of how the system works, and a case study enables such an appreciation of context.

It is well established that case studies are the preferred method where (a) how and why questions are being posed, (b) the investigator has little control over events, and (c) the focus is on a contemporary phenomenon within a real-life context (Yin, 2009). Extensive research of small firms reveals their idiosyncratic responses to their environment and the case study method allows for consideration of both the external and internal environment. Comprehensiveness responds to Ostroff and Bowen (2016) call for a higher level of analysis. Serving many purposes, the case study enables a higher-level view, while simultaneously allowing for an in-depth enquiry to unearth the social complexities that permeate the workplace. The case study supports an examination of multiple layers in the organisation which is of major significance in determining the metafeatures of consistency and consensus. This form of "multiple levels of analysis" (Wright and Nishii, 2007: 4) aids a more nuanced understanding of how these firms operate.

A process likened to peeling layers of an onion (Pauwee, 2004), and as described by Raby (2012), the research looks to "unpack the relationships between a range of influences, and warrants looking beyond surface level events (ie. the 'what'), therein developing knowledge of the underlying processes that drive firm behaviour (i.e. the 'how' and 'why')". As Healy and Perry (2000, p. 123) have argued, a case study approach, with multiple perceptions about a single reality, allows triangulation of several data sources which provide validity as researchers search for convergence.

Having alluded to the constructs of the model (situational context variable), the case study is a particularly useful method as "the case study is used in many situations, to contribute to our knowledge of individual, group, organisational, social, political, and related phenomena……the distinctive need for case studies arises out of the desire to understand complex social phenomena….allows investigators to retain the holistic and meaningful characteristics of real-life events – such as ….organisational and managerial processes" (Yin, 2009, p. 4). The detailed case study enables an understanding of the dynamics in a single setting, by allowing an appreciation of how the key determinants take effect in smaller firms (Dundon et al., 1999). The qualitative and case study approach support the aims to explore the value of the HRM process perspective. Although starting out with a purpose of exploring the influence of the nine predetermined features and their components, the research design allows the scope for in-depth enquiry and to probe emerging themes. Case studies render themselves particularly useful as their characteristics are suitable when examining for depth rather than breadth, relationships/processes rather than outcomes, holistic rather than isolated factors, in natural settings rather than artificial situations, and using multiple sources rather than one research method (Denscombe, 2007).

Sheehan (2013) concludes her review of quantitative research exploring HRM performance in SMEs by suggesting that "case studies should provide greater insight into the role of external and internal contingencies" (p. 563). Thus, reflecting an analytical HRM agenda, the case study method enables the researcher to animate the 'what', 'how' and 'why' of the HR system.

In a relatively early acknowledgment, Ferris et al. (1998) suggest that in order to examine social context models, multi-level methodologies at both organisational level and individual level variables must be measured; "Such research designs are challenging to execute, and this likely explains why more of this type of research has not been conducted. But if we are to develop a more informed understanding of the social dynamics and complexities that intervene to account for the HRM systems-organisation effectiveness relationship, and thus comprehension of how HRM really operate, then such research efforts are necessary" (p.258).

In addition to the value smaller firms can add to the examination of the HRM process, by the virtue of their characteristics of smallness, small firms lend themselves more suitably to an examination of the whole system. Given the complexity involved in the relationship, "it is likely that researchers will need to seek out contexts with reduced complexity such as…. small businesses where reduced complexity will provide more meaningful measures of potential moderating variables" (Allen and Wright, 2010, p.100).

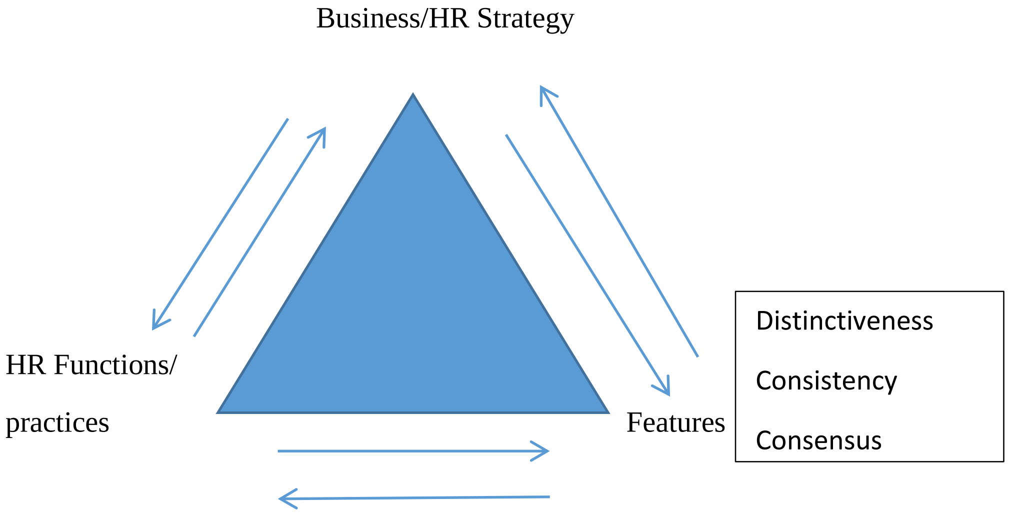
4.4 Research Design

Research design is about providing a 'blueprint' for the research (Philiber et al., 1980). The objective is to set out a plan that guides the collection, analysis and interpretation of information (Denscombe, 2007). The basic premise of the plan is to ensure that the information gathered responds to the research questions. With this in mind, the research design follows the proposed sensitised framework from the end of chapter 3 (see section 3.5, p. 75) and responds to the research questions identified earlier in this chapter. This section then sets out the rationale and justification for the chosen cases. It then follows with an outline of the steps taken and a description of the instruments used to gather the relevant information.

Building on the proposed sensitised framework, the design acknowledges that "although the researcher may be unable to adequately test these links, restrictions in methods do not invalidate the inherent nature of theory', and the study achieves its mission 'to challenge and extend existing knowledge" by shedding light on the influence of process features through 'comprehensiveness' (Whetten, 1989; pp. 490-491). Adopting the sensitised framework is 'logical' and allows critique that focuses on "multiple elements of the theory" (Whetten, 1989, p. 493).

A simplified version of both the sensitised framework is devised for the purposes of gathering the relevant information. Hence, the aim is to examine how features of distinctiveness, consistency and consensus impact on the effectiveness of the HRM system, thus requiring consideration of the following three key areas: one: business/HR strategy/philosophy; two: HR functions; and three: meta-features. This has led to the development of the semi-structured interview questions with three main sections based around the triangle below (Figure 1 below). Although the semi-structured interviews have predetermined objectives and questions to explore the features (good case study research is aligned with "prior development of theoretical propositions" Yin, 2009, p. 18), with open-ended questions, there is enough scope to probe and allow for themes to emerge.

Figure 1: Research Template



(Compiled by author)

4.4.1 Case Context and Selection

With a focus on transferring the message through the conversion process, the researcher purposively chooses a context where the importance of the message conversion is likely to be heightened. 'Message based persuasion' and transferring the message to employees so that they "engage in certain behaviours" (Wright and Nishii, 2007, p. 4) is heightened in high skilled service-based organisations for two reasons. Firstly, service-based employees have greater control over the delivery of the product. Secondly; this significance is elevated further when employees are high skilled (Samnani and Singh, 2013; McClean and Collins, 2010). And lastly; greater autonomy and discretion in this context suggests the need for a clearer line of sight and common shared understanding of what is expected, as proposed by the framework.

The purposive sample thus concentrates on high value added (HVAs) firms (Gilman and Edwards, 2008) where jobs typically require problem solving expertise or providing customised services (Adler et al., 2007). These jobs function on the intellectual as opposed to the physical, relying on well-educated, qualified employees (Swart and Kinnie, 2003, Harney, 2009).

Although the researcher was purposive in choosing award-winning (National Small Firm Awards) high skilled service firms in growth phases, it is acknowledged that researching successful firms is not a guarantee of successful management of employees. What we can learn is if the features of strength can positively influence the expected common shared understanding and line of sight, if they can achieve success, ie award-winning and growing; i.e. ‘work well’, then examination holds greater value. Although not testing; extending our understanding of why is paramount (Boxall et al., 2010).

4.4.2 Gaining Access

As Ram (2001) suggests, gaining access to smaller firms requires entrepreneurial characteristics, and it is no different with these cases. As outlined in the stages of the design process below, the researcher called on their network for assistance. The researcher met with two other organisations and while they were interested in the study, these didn’t materialise for two reasons. In the first case, the researcher was unable to take the required time (intensive weeks on site) at the time suitable to the organisation. In the second case, the organisation had just gone through an extensive round of redundancies, and with the sensitivity, they felt that employees may be suspicious about the research. Still, these access attempts/interviews proved useful in terms of gaining a sense of how to present the benefits of the study to prospective cases.

Not uncommon, access was secured on the basis of reciprocal benefits (Holiday, 1995). As seen in stage 2 of the action plan below, the researcher offered the opportunity to explore what had worked well for the organisations thus far, capture it and build it into their core values going forward. This involved discussions with senior managers in both cases, followed by a presentation to employees on the benefits of the study. A key outcome of this prolonged process was that in-depth access was secured to both firms, extending to not just interviews but on-going conversations and company engagement. The academic holidays of the researcher allowed for intensive weeks on site with the two cases which proved rewarding and beneficial for intensive access and understanding of each firm, allowing further insights through observation and socialising. Additionally, as some participants suggested, the daily presence on site put them at ease, with a running joke about who was next in for ‘confession.’ The researcher was provided with an office on-site and staff were scheduled by a gatekeeper over an intensive two to three week period. While on-site, the researcher had full access to facilities including the canteen, where coffee and lunch provided an opportunity for further engagement. Likewise, the researcher was brought for lunch externally by management on one occasion in each firm.

The two case studies that ultimately participated were similar in a number of respects making them particularly appropriate for the current research. Specifically, both CloudCo and TalentCo are knowledge intensive, award-winning service-based small firms (see table 4.2 below, Case descriptions). Both are from similar regions, geographically and demographically; albeit with one coming from a larger town (CloudCo) in the South-East meaning, they experienced similar external labour market conditions. At the time of the research, the cases were of similar size with CloudCo having 32 employees and TalentCo having 36 employees. The national landscape suggests a growing economy, and both firms highlight a challenge in recruiting high skills in their area. They both suggest that the opportunities of the larger cities (mostly the capital city) draw employees away from the region. Both organisations endeavour to sell the image of the quality of life to be gained from the lower cost of living in the region. Neither firm has a dedicated HR person, they are non-unionised and have significant owner-manager involvement. For a description of the organisations, see the table below:

Table 4.2 Case descriptions

	TalentCo	**CloudCo**
Size	Small - 36 employees	Small – 32 employees
Growth	High	High
Description	Hi Tech – professional service – providing a cloud-based software selection system.	Hi Tech – professional service – providing cloud-enabled telecommunications systems
Skills	High – Hi value add	High - Hi value add
Location	Small Town – South East	Small town – South East
Features	National Small Firm Award MD – Under 30 National Entrepreneur Award	National Small Firm Award

Target market	Primary - MNCs in excess of 10,000 staff Also large companies with over 1000 staff	Small to Medium-sized firms Avoid competing with large and multinational IT competitors
Strategy	High Quality	High Quality
Competitive advantage	One of the first to market High quality product and support service Client success team	Configuration of bespoke IT solutions for small and small to medium firms Instalment based (pay as you go) offering avoids large capital outlay.
HRM responsibility	No assigned title MD and Office manager share Office manager – admin queries MD – Strategic issues	Recently included as part of finance manager's portfolio Staff not aware
Structure	3 layers 3 primary functions: Sales and business development – SD Tech team – design, development and maintenance – TE Account management, administration, and marketing – AM	3 layers 3 primary functions: Sales and business development - SC Operations – Tech team – Ops Finance and administration - FA

Attention now turns to how the design and instruments enable capturing the elements in the sensitised framework. With this in mind, the design builds in a number of stages to capture the relevant information, and an action plan (Table 4.3) is provided below.

4.4.3 Action Plan

The table (4.3) below presents the action plan that allowed the researcher to gather the relevant data.

Table 4.3 Research Action Plan (Compiled by author)

Stages	**Description**
Desk Research – Gaining access	Exploring contacts from personal network, followed by desk research (internet searches of organisations) for success and suitability – growth and high skilled
Exploratory Discussions	Exploratory discussions with senior managers – mutual gain presented to senior managers and MD – what has worked well for the organisation to date and capturing it.

	Indicative of case commitment to the process, senior management wanted as many interviewed as possible for inclusivity
Gatekeeper appointed	Interview for background information on the company including organisational charts
Presentation to employees	Presentation on the objectives of the study to employees at HQ (for both cases)
Semi-structured interviews	Pilot interview – a manager and employees from separate organisation Redesign of interview questions Ethical approval Gatekeeper organised the interview schedule over an intense two to three week period during working hours Off-campus employees were interviewed at their convenience Interviews; voluntary, however senior management encouraged wide participation to make sure employees felt included.
Observation	Direct 'rudimentary' observation enabled by visits to offices, lunches on-site with employees and off-site with the management team (informal exchange) while on-site for two weeks.
Participant observation	Attended full people strategy day in CloudCo Report presented and discussion with employees in TalentCo
Follow up with senior management team	Report presented

4.4.4 Interviews

Semi-structured interviews were the primary data collection method used as they allow for exploration and reasoning. With a research objective for meaning, appreciation and understanding of HRM interventions and practices, interviews proved useful. Widely accepted views suggest that small firms are characterised by informality and thus any measurement of the presence or lack of presence would shed little light on the informal workings of the firms (Harney and Dundon, 2006). Further compounding problems with the surface level research is a reliance on single source respondents (Purcell, 1999; Truss, 2001). However, in these cases, the interviewing of over 78% of employees from all levels (see table below) in the organisation proved informative and reduced the subjective bias that can often be attributed to an insufficient number of interview respondents (Wilkinson et al., 2007). Conducting a range of interviews across all levels ensured "a sufficiently 'rounded view' (Kitching, 2000, p. 99) to enable 'a soundly-based case study' (Marchington and

Parker, 1990, p. 10).” (Harney, 2009). For a breakdown of the interviews, see the tables below.

TalentCo – total 36 employees			
Functional Area		**Management Level**	
Account Mgt & Admin - OPs	9	Top	2
Sales & Development	13	Middle	3
Technical - TE	6	Front-line staff	23
	28		28
Total interviews 28 - 78% of staff interviewed			

CloudCo – total 32 employees			
Functional Area		Management Level	
Finance & Admin	4	Top Mgt	3
Operations (Tech)	14	Middle	6
Sales & Development	11	Front-line Staff	20
	29		29
Total interviews 29 - 91% of staff interviewed			

(Please note that the use of middle management in these cases reflects those who supervise staff and not their level of responsibility. The details are adjusted based on the interviews and the organisational charts provided).

4.4.5 Research Instrument (Semi-structured Interviews)

The nature of the information sought from employees ranged from descriptive background questions covering demographics, job title, etc. which was enabled by closed-end questions. A summary of the responses to these questions is presented in the findings chapter. However, these were followed by open-ended questions on their experiences and perceptions, which allowed for probing, clarification and elaboration of issues. As an example, the opportunity to explore self-imposed labels (‘newbies’) placed on groups of employees proved interesting and informative, as the name was associated with negative connotations, which would unlikely have been unearthed from surface-based research.

In line with the sensitised framework and reflected in the triangle (figure 1, p. 9), searching for the effective message transfer requires firstly, knowledge of the message, the communication mechanisms/medium through which it is delivered (content – HR functions and practices) and the process features. Thus, the semi-structured interviews echoed the themes and pillars of the sensitised framework in order to capture a holistic and comprehensive analysis (see Appendix 4.1).

The researcher took a systematic approach to developing the interview questions, by following leading empirical research templates such as Delmotte et al., (2012), expanded on in Appendix 4.2. However, they were redesigned with more open-ended questions to allow for greater depth and a pilot test was used to redesign the questions. As an example, the researcher has included a table 4.4 below using the feature of Visibility as an example showing how the questions are redesigned.

Table 4. 4 Sample Interview questions: (Source: Compiled by the author)

Features **(see Delmotte et al. for descriptions (2012))**	**Previous Research Questions.**	**Researcher's Final Questions**
Distinctiveness		
Visibility - The degree to which internal customers have a clear idea of HR practices, know which HR programs are implemented, and what can and cannot be expected from the HR department	1. The actual functioning of the HR department is a mystery to a large part of the employees (Delmotte et al., 2012) 2. Employees are regularly informed about the initiatives taken by the HR department (Delmotte et al. 2012 3. The HR department works too much behind the scenes (Delmotte et al., 2012) 4. In this organization, it is clear what belongs to the tasks and what's outside the field of the HR department (Delmotte et al., 2012) 5. 'HR practices are well known by everybody in my organisation' (Gomes et al., 2010)	Who is the person with most/key responsibility for Human Resource/People Management? Do you know what level they hold in the management structure? Do you think this described philosophy or people management approach supports the business objectives? Could you describe or think of any organisational/HR processes or activities that support the philosophy and the business objectives? For example: training or rewards. How do they? Is the role of HRM/approach to people management obvious to you as an employee? Prompt: Do you understand the practices adopted and what is expected of you from them? How did you come to work for this organisation? Describe the process involved; what was the experience like? – any features stand out? What was your first

		impression/perception of the organisation at the recruitment phase?

Although the semi-structured interviews are set out with the best of intentions to discretely gather the information on each process feature (implying strength), nevertheless, the interviewer didn't necessarily stick prescriptively to the intended layout. In keeping with the exploratory qualitative nature of the study, probing interviewee responses often lead to divergence from the intended feature. As to be expected, employees' views didn't necessarily respect the intended discrete boundaries between the features. This became apparent throughout the interviews, and the researcher allowed for a more natural flow, and in many cases, questions and the sequence were adjusted to account for the previous responses where the interviewer felt the question was already answered. All interviews were[1] recorded with consent from participants. The informed consent form and the interview process, including questions were approved by the DCU research ethics committee (Appendix 7).

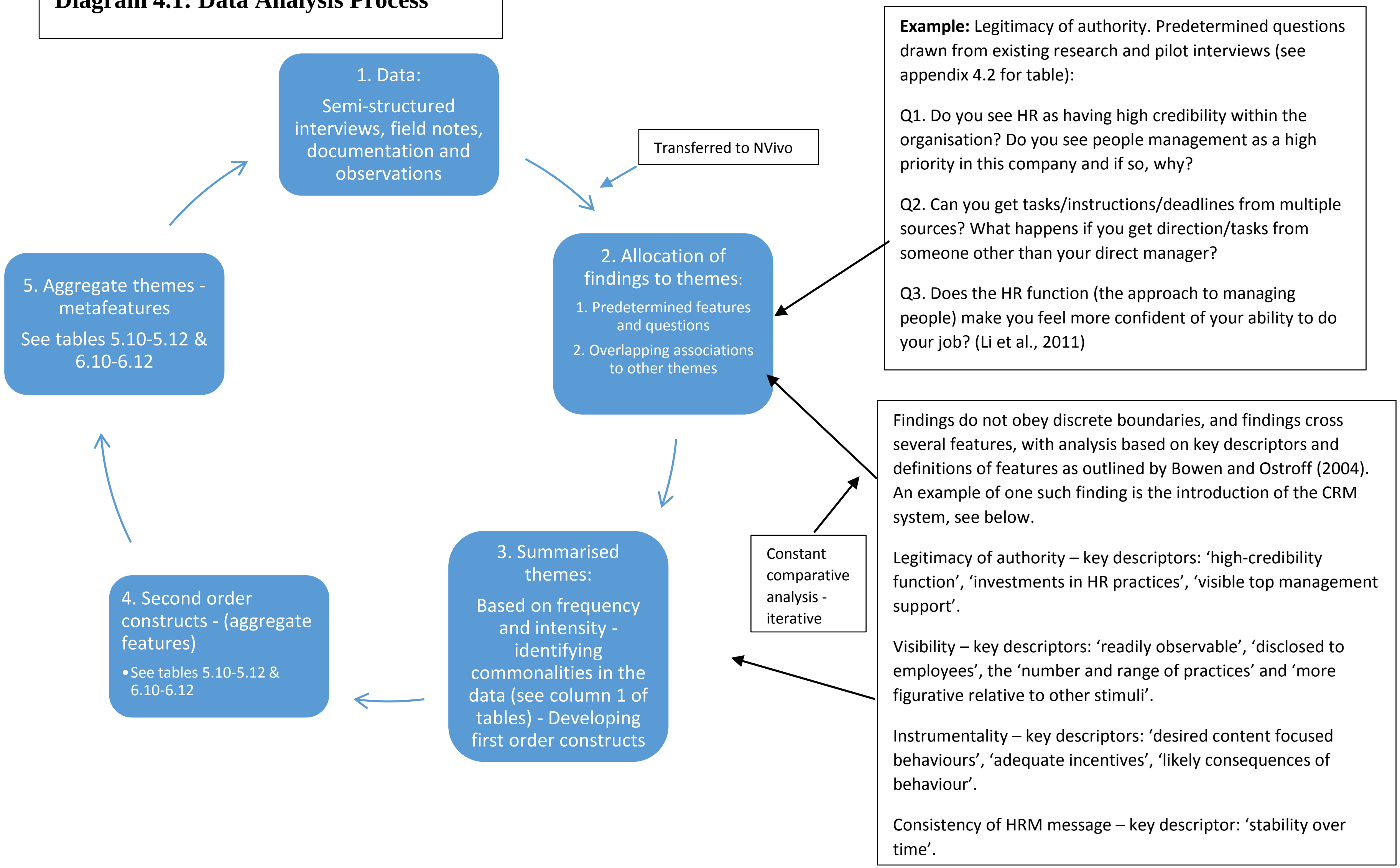
4.5 Data Analysis Process

Given the extensive dataset of 57 interviews, company documentation as well as observations, it was necessary to synthesise a great deal of material to develop a 'coherent picture' of the HRM process and perceptions (Maitlis, 2005). The objective of the process of analysis outlined below was to construct ordered relationships from a pattern of interrelated activities among people around the theme of HR systems strength (Weick and Roberts, 1993). This is explored through the lens of the metafeatures (and inherent features) of Bowen and Ostroff's (2004) framework, namely; distinctiveness, consistency and consensus (see chapter 3 for an extensive overview). The data analysis involved a considered and transparent means of exploring the data based on a number of distinct stages. For a

[1] All candidates were provided with a plain language statement and a consent form. However, for two interviews that were carried out via skype, the forms were sent to the participants in advance. These were approved by the DCU Ethics Committee (Appendix 7). A letter of approval from both organisations was received.

summary of the data analysis process, please see a diagram Data Analysis Process (Diagram 4.1) overleaf followed by a description of the stages involved.

Diagram 4.1: Data Analysis Process



The first stage involved transcribing the 57 interviews and transferring them into NVivo. Additionally, notes gathered from observations, documents, company and social events attended were also documented in NVivo. NVivo is a software tool that allows the researcher to accumulate data into themes through an iterative process of theory and data exploration.

Stage two involved the development of themes and sub-themes[2] and the allocation of findings to the relevant themes. This stage had two phases:

Phase 1:

This involved allocation of findings based on pre-determined questions (semi-structured interviews) which were developed by drawing on existing research instruments (Delmotte et al, 2012; Li et al., 2011; Gomes et al., 2010). These questions were then used to categorise and develop themes/sub-themes based on the features and metafeatures of the Bowen and Ostroff framework. For a breakdown of these questions, please see appendix 4.2. As an example, responses to the following questions were allocated to the feature Legitimacy of Authority.

Legitimacy of Authority
Q1. Do you see HR as having high credibility within the organisation? Do you see people management as a high priority in this company and if so, why? Q2. Can you get tasks/instructions/deadlines from multiple sources? What happens if you get direction/tasks from someone other than your direct manager? Q3. Does the HR function (the approach to managing people) make you feel more confident of your ability to do your job? (Li et al., 2011)

From this first attempt at categorisation and allocation based on the predetermined questions, it became obvious that the responses and findings did not obey discrete boundaries. Participants often expanded in their responses leading to important findings across multiple themes and sub-themes, leading to phase two of the analysis.

Phase 2.

For this phase, through an iterative and constant comparative analysis process, interpretation enabled the allocation of findings based on their relevance to more than one theme. The allocation and interpretation were based on the definitions and key descriptors as taken from

[2] Note in NVivo terminology, themes and sub themes are referred to as nodes and sub nodes.

Bowen and Ostroff's (2004) seminal work, see table 4.5. below. This table is followed by sample findings and a further table 4.6 sets out how the findings were allocated.

Table 4.5 – Key definitions and descriptors.

Meta-features/Features	Key descriptors and definitions taken from Bowen and Ostroff (2004; 2016)
Distinctiveness	Visibility, legitimacy of authority, understanding and relevance increase 'the probability that the HRM message will be encoded and interpreted uniformly among employees'.
Visibility	'salient and readily observable', 'disclosed to employees', 'number and range of practices', 'more figural relative to other stimuli'
Legitimacy of Authority	'high-credibility function', 'investments in HR practices', 'visible top management support'.
Understanding	'lack of ambiguity and ease of communication', communication must be 'understood', 'drawing attention to some features'
Relevance	'individuals see the situation as relevant to an important goal', 'motivational significance', 'individual and organisational goals', 'willing to work towards goals', 'perceived power of influencing agent', 'when people are more outcome dependent, particularly when the outcomes are relevant, they direct more active attention to the person or source'.
Consistency	'a consistent pattern of instrumentalities across HRM practices, time, employees that link specific events, and effects further enhance the likelihood that desired specific behaviours will be displayed'
Validity	'what they purport to do and what they actually do' and 'signalling to employees what KSAs are valued'
Instrumentality	'desired content focused behaviours', 'adequate incentives', 'likely consequences of behaviour'.
Consistency of HRM message	'compatibility and stability in the signals', 'stability over time', 'espoused values and inferred values', 'practices that complement one another and fit together', 'across modalities and time'
Consensus	'agreement among message senders can foster consensus' and 'employees receive what they feel they deserve for their contributions'.
Agreement among principal HRM decision makers	'agreement among these message senders helps promote consensus among employees', agreement promotes distinctiveness 'more visible, relevant and consistent messages' 'integration among HRM professionals, managers and top managers foster', 'disagreement among decision makers is likely to produce poor consistency'
Fairness	'adhere to the principles … of distributive, procedural and interactional justice'. 'acceptability criterion'. 'equality', 'transparency', 'managers' openly and respectfully explaining … the reasons'

As examples of this phase, see three sample findings below that cross many themes/sub-themes, hence allocated to more than one feature, and summarised in table 4.6 overleaf.

Sample findings:

1. 'The company recently introduced a CRM system called Connectwise', ….'if it's not in Connectwise, it didn't happen'.

2. The company has a social blog called Yammer, and it is used for ‘highlighting success stories such as passing exams’.

3. ‘Performance reviews were recently introduced’, but are seen as a ‘chat’.

Table 4.6 – Allocating Findings

Findings	Features				Comment
	Visibility	Validity	Instrumentality	Fairness	
Key descriptors as per table 4.5 above	‘readily observable’, ‘disclosed to employees’, ‘number and range of practices’, ‘more figural relative to other stimuli’	‘what they purport to do and what they actually do’ and ‘signalling to employees what KSAs are valued’	‘desired content focused behaviours’, ‘adequate incentives’, ‘likely consequences of behaviour’.	‘adhere to the principles … of distributive, procedural and interactional justice’. ‘acceptability criterion’. ‘equality’, ‘transparency’, ‘managers’ openly and respectfully explaining … the reasons’	
Introduction of CRM system	Highly visible activity	Improves relevance of tasks	‘it’s a way of steering your behaviour’ ‘not in connect-wise, didn’t happen’	Process is standardised	Attention is drawn to CRM with a view that consistency is improved through standardisation
Yammer (social blog)	Increasing emphasis on performance targets and rewarding behaviour.		Rewards appropriate behaviours e.g. client success stories	Distributed justice – rewarding.	There is consistency and consensus on the standout behaviours that are rewarded
Introduction of performance appraisals	Increasing visibility; readily observable and increasing the no. of HR practices.	Seen as a ‘chat’	Get to discuss behaviour and expectations. E.g. how to upsell added features to clients	Performance appraisal process viewed as lacking structure – seen as a chat – lacking procedural justice	Increasing visibility yet lacking validity

Completion of these two phases resulted in the allocation of findings to the appropriate themes. As an example, please see a screenshot taken from NVivo below (Figure 4.1). From this figure, it can be seen that the researcher has accumulated and assigned 178 entries to the Legitimacy of Authority feature and 130 to the Validity feature. For a full picture of the NVivo themes/nodes, please see a copy of the NVivo tables in the Appendices 4.4.

Figure 4.1- NVivo sample

Stage 3 used an iterative process to review the allocations, working towards a summary based on intensity, patterns, frequency and commonalities, thereby allowing the researcher to gradually build up a more 'robust descriptive' category from the data (Maitlis, 2005). This resulted in the development of first-order constructs from the findings. For example, for Legitimacy of Authority in CloudCo see a copy of table 5.2 overleaf. The findings suggest that the three key senior managers work long hours, are 'seen working late most evenings', will regularly meet employees after work for chat; they will 'always make the time', they are described as 'world class senior managers', reflected in a 'highly professional recruitment process'. The resulting first-order construct from these findings is summarised as Work ethic and professional.

Table 5.2

Legitimacy of Authority [3]

Key findings

First order constructs – Legitimacy of Authority

- Lack of HRM skills and experience on senior management team– assigned to CFO (accountant)
- Compliance issues are outsourced such as employment contracts and H & S
- Management believe it is going well, but 'probably more by accident than by design' (CFO)

Lack of HRM skills & experience

- It's probably the MD who makes the final decision
- Everyone (senior managers) takes responsibility for managing their team.
- MD ultimate decision maker in rewards, recruitment and promotion – while lacking positional authority, yet authenticity in way MD walks the talk – high perceived power – pay attention
- Everything the MD has said would happen has come through and the plan is to 100 in the next three years.
- MD showed up at social and sporting events in hope of recruiting people
- Strong views that it is about getting good people in
- Investment in HR related activities – CRM, PAs, inductions etc.

High perceived power & investment

- 'They know what they are doing'
- Management work very long hours and stay back most evenings
- World class senior management team as described by MD to all staff at event
- Senior Management background – work experience recognised by employees
- 'I think the thing that struck me when I came, like, into the organisation was the professional attitude in the whole employment and interviewing strategy.
- The MD has lots of experience in sales
- 'The whole recruitment process was very professional'
- If we have any issues, management would meet us after work to chat. It's great the way we can have a one-to one- 'they will make the time' – approachable and available

Work ethic & professionalism

- It's amazing what they have achieved so far
- Poor performers worked out – we made a list of those we wanted to get rid of, and they are all gone now – action taken, credibility enhanced
- Expert hired in for sales training where needed

Admiration & respect

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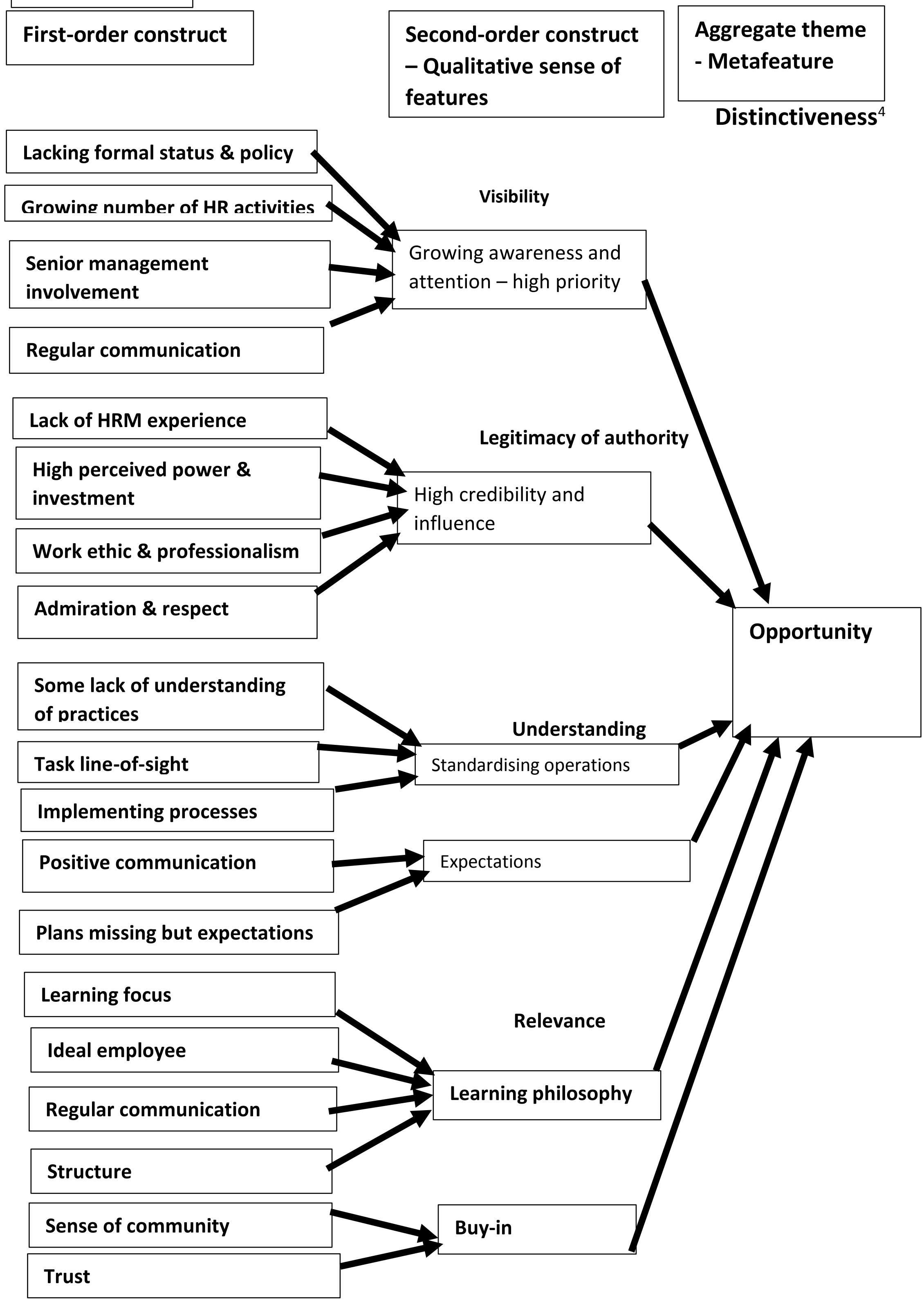
[3] Legitimacy of authority is summarised and grouped primarily from 178 entries in NVivo. The key descriptors are: 'high-credibility function', 'investments in HR practices', 'visible top management support'.

Stage 4 of the process involved further collapsing the first order to second order constructs. Summarising from table 5.2 to table 5.10 (overleaf), the second order constructs are developed. For example, for the feature/sub-theme Legitimacy of Authority in CloudCo; although there is a lack of traditional HRM skills and experience, those in charge have high perceived power, are investing in HR practices, employees demonstrate strong work ethic and professionalism, and employees admire and respect them. The resulting second order construct suggests that they have high credibility and influence and employees pay attention to them, for reference please see table 5.10. This process is continued for each of the nine features and stage 5 involves further collapsing the features into an aggregated metafeature, see table 5.10.

Stage 5 involves the accumulation of the four distinctiveness features in CloudCo; visibility, legitimacy of authority, understanding and relevance suggest that the standout message in CloudCo is a sense of opportunity; employees are enthused and believe in the organisational and career opportunities that are likely to follow from hard work and commitment. These findings and the impact are discussed further in chapter 7.

Table 5.10



[4] Distinctiveness; definitions: Visibility, legitimacy of authority, understanding and relevance increase 'the probability that the HRM message will be encoded and interpreted uniformly among employees' (Bowen and Ostroff, 2004). Summary: highly credible and authentic management (leadership team) draw attention to the opportunities that await ambitious employees who deliver.

4.6 Evaluation

The researcher acknowledges that although the research is qualitative and the objective is to advance our understanding as opposed to theory testing, the research is less likely to achieve the same levels of validity and reliability as one would expect with quantitative research. Nevertheless, while qualitative, the research follows a systematic approach and integrates previous research into the design to improve validity and reliability.

4.6.1 Validity

Valid research does what it sets out to do. This points to potential weaknesses of qualitative approaches, given that qualitative, interpretivist and constructivist approaches don't often know what they are looking for in advance. However, in line with good case study research, the current approach had some predetermined features and followed the proposed sensitised framework providing guidance and structure on what to examine (Yin, 2009).

Given the earlier justification of the key components of the proposed sensitised framework, it is plausible, implying face and construct validity that the relevant information could be captured using the framework as a guide. The sensitised framework has been justified and builds on conceptual, theoretical and empirical grounds. While not attempting to test the topic, important efforts are made to develop a framework that captures comprehensiveness. Additionally, multiple sources of evidence were used, including interviews, observations, documentation, and socialising on site. Face validity was improved through pilot testing of the interview questions and consultation and presentations to management and employees about the objectives of the study, for which immediate feedback was gained. Having the organisation arrange an interview schedule and appointing a gatekeeper promoted managements support of the study which improved the participation rate. The large number of respondents represented in each firm (78%/91%) also reduced the risk of biased selection of respondents.

A systematic approach and process by the researcher improves internal validity. An intensive number of weeks on site capturing views prevented a protracted process that may have been influenced more by external forces. The researcher acknowledges that the data gathering through semi-structured interviews involved a learning curve, however, the use of two pilot interviews and following a semi-structured nature kept the research on track. Given the level of subjectivity, it was never the intention to prove cause and effect, however, the views gathered were valuable and when considered together they formed strong views in many cases, again supported by the high response rate in both organisations (78% in TalentCo and 91% in CloudCo). The use of voice recording, transcription and NVivo supported a systematic approach and favours accurate reporting.

The content validity was improved by the design and development of the semi-structured interviews by following the sensitised framework and previous templates. Additionally, the pilot test proved useful in terms of gauging content. The evidence from the pilot test highlighted what questions participants struggled with, leading to a restructuring of the questions. As an example, general questions on the success of HR practices were left to later in the interview so that candidates would have had time to consider these HR practices in the context of earlier questions.

The validity of these semi-structured interviews involved an appreciation of previous research with some additions, see table 4.4 above as an example. Validity was improved by following leading research of the HRM process; including: Delmotte et al., 2012; Li et al., 2011; and Gomes and colleagues[5] (who at the time of the research were carrying out international research on the HRM process, which included Karin Sanders and Helen Shipton). While quantitatively based, these research studies provide a template that was adapted to allow for greater exploration and probing while not losing sight of the structure. While ambitious in nature, it has proven rewarding in terms of shedding light on many aspects under-explored in a holistic and comprehensive way. For a full breakdown of the sensitised framework and all three stages of intention, implementation and perception, please see Appendix 4.1. Each of the sections and corresponding questions is broken down into tabular form beginning with the background questions, followed by business strategy, HR strategy, HR practices and how the features are integrated

[5] Some of the questions (semi-structured interviews) were adapted from the content of surveys shared with the author from direct correspondence with Jorge Gomes. At the time of the enquiry, he was working with an international group of researchers on developing a system strength survey. Some of the results of their work was published at a later date under: Gomes et al., (2010). The research group involved Jaga, A (South Africa), Tziner, A (Israel), Caihui, L. & Sanders, K (Australia and Netherlands), Shipton, H. (UK), Kuntz, J (New Zealand), Coelho, J & Gomes, J & Cunha, R. (Portugal), Petros, P (Ethiopia), Rodrigues, R. (UK), Dian, S. (China), and Lee, S., Park., O. & Kim, Y. (South Korea).

Although providing structure, the weaknesses of these previous survey-based studies became apparent through preliminary discussions and the pilot test. Not only were the questions failing to unearth meaning, but participants struggled with grand phrases or words that represent a complex question. Participants struggled with phrases such as people management strategies, HR strategy, HR practices, even organisational strategy; hence, further efforts were made to capture the information required. As an example, in exchange for organisational strategy, they were asked '*why do clients buy your service?*'. Additionally, prompts and examples were used where needed. Examples of questions from previous research that were challenging include: 'The HR department in this organization has a high added value' (Delmotte et al., 2012) or 'The HR department contributes to defining the strategy of my organisation' (Gomes et al., 2010).

Preliminary discussions proved valuable in unearthing a lack of formal HR strategies. In response, the researcher developed questions that would shed light on the message to be transferred, and this was explored through management's philosophies and priorities in managing employees. Novel questions such as: '*If you were to think of the ideal employees; what are their characteristics and how would you describe them?'* and *'If there was an employees of the year award, where would it go and where should it go?* The researcher acknowledges that responses and questions may not respect and obey discrete boundaries, however, perceptions of the ideal employees tell us a lot about employee's perceptions of management philosophy and priorities. Having predetermined features and a semi-structured nature was invaluable in determining where responses belonged when analysing the data. However, the researcher facilitated this by allowing the response to be allocated to more than one feature. For a breakdown of the questions and the sections they belong in, see appendix 4.2, where questions are categorised following the triangle from figure 1 (p. 9).

While external validity implies the ability for the results/findings to be transferable or generalizable to other firms, the researcher advises against presumptions given the idiosyncrasies of small firms. Having the template and a systematic approach to the research allows for the study to be repeated, however, the researcher cautions against generalising. The author argues that the process features (relevance, fairness, instrumentality, etc.) have generalizable characteristics/values, but does not suggest generalising to small firms based on two cases.

In summary, while “Theory building from case studies is an increasing popular and relevant research strategy’, it faces ‘some predictable challenges’ which ‘can be mitigated through precise language and thoughtful research design: careful justification of theory building, theoretical sampling of cases, interviews that limit informant bias, rich presentation of evidence in tables and appendices, and clear statement of theoretical arguments. The result is fresh theory that bridges well from rich qualitative evidence to mainstream deductive research. This is hallmark of building from case studies” *(*Eisenhardt and Graebner, 2007, p. 30). The researcher applied this logic by choosing cases carefully with predetermined objectives in mind. Specifically, the focus was high skills services (employees have discretion so the need for a line of sight is elevated), award-winning and in a growth phase (suggesting success). In doing so, the research was purposeful in sourcing successful professional service based firms (award-winning and growing), where discretion and autonomy is more likely to exist. Nevertheless, the researcher acknowledges that the objective of examining descriptively successful firms was not a guarantee of successful management of employees. What we can learn is if the features of strength can positively influence the expected common shared understanding of management’s desires, thus improving line of sight. The semi-structured interviews are grounded in theory and previous research, and representation from over 78% and 91% of employees improve the chances of capturing a valid and reliable representation of the employees’ views.

4.6.2 Reliability

A reliable study suggests that if you were to do the research again, you should get the same data. In this case, following a systematic and structured process improves procedural reliability. Applying strong protocols, including, anonymity, a clear process, one interviewer, voice recording and documentation, increases the reliability.

A consistent approach across both organisations with both recording interviews through written and voice improves reliability. Numerous sources of evidence gathered including observations, interviews and documents. Although qualitatively based, having semi-structured interviews improved reliability across the cases (Silverman, 1995). The researcher capability was enhanced with the pilot test and the semi-structured interviews of over 78% and 91% of the employees from all levels improved the reliability and representativeness in the findings and reduces the potential for bias or over-reliance on a single source high-level respondent. The coding of the participants and the use of NVivo allowed the researcher to avoid an overreliance on certain participants. The researcher conducted all the interviews which were transcribed into word documents and transferred to NVivo for analysis, which were then grouped into themes/nodes. These nodes then had sub-nodes where relevant and these provided a template for findings and discussion. Although many of the nodes were predetermined (process features), the approach allowed for emerging nodes to be captured such as formality/informality, leadership and division of groups. A screenshot of the nodes and subnodes can be found in Appendix 4.4. The researcher's confidence in the validity and reliability was justified by the management teams when presented with the reports, they agreed that the reports were a 'fair' reflection.

4.6.3 Research Ethics

Research ethics approval required the submission of an application form to Dublin City University (DCU) Research Ethics Committee. The application form required a description of the research, the aims, benefits and justification of the research, the chosen methods with any associated instruments that were to be used. The application included a section on the potential risk and risk management, including a participant profile and their potential vulnerability. As part of risk management, the form required outlining procedures for unexpected outcomes. In response to the committee's feedback, at the request of the researcher, the gatekeeper in each case organisations confirmed in writing to provide the necessary supports for any employee who may experience stress or any adverse effects because of the research. Confidentiality and anonymity were protected by coding the respondents based on their case name (CloudCo and TalentCo) and the functional area they work in. Data storage and security have been achieved throughout the process by password protection.

In order to achieve the highest research ethical standards, the researcher submitted a letter of approval from the case organisations, an Informed Consent Form and a Plain Language Statement. A condition of the research is that participation was voluntary and that participants were free to drop out or skip any line of questioning at any stage during the research process. The freedom to withdraw at any stage of the research process was also highlighted both in the Informed Consent Form and the Plain Language Statement. The ethics committee reviewed the application, including the research instrument and relevant letters. Through an iterative process, the feedback was responded to and amendments were made. Prior to conducting the research, a letter of approval was required from the DCU Research Ethics Committee (see a copy attached in appendix 7).

4.7 Conclusion

This chapter detailed the research approach and philosophy in the context of the limitations of existing research. It outlined the justification for a qualitative approach and basis of case selection. A description of the cases has followed a presentation of the action plan adopted. The basis for the research instrument was outlined before concluding with some evaluation. The next two chapters illustrate the results of the process in capturing details from CloudCo and TalentCo respectively.

CHAPTER FIVE

Research Findings CloudCo

5.1 Overview

This chapter explores content and then process in the presentation of the findings. The chapter begins with a contextual overview of the organisation and HRM strategies. In line with traditional strategic HRM research and the 'content' view, section A examines 'what' HR functions and their associated HR practices are present, followed by an exploration of their 'fit' to the desired organisational strategy. Section B moves to explore system strength and 'how' it impacts the effectiveness of the HR practices in delivering the desired message so that staff commit to delivering high quality products and services. In order to capture the details of respondents, the following table outlines how they are identified. As the findings and discussion progresses, the case name and the employee's role and level in the organisation prove informative for comparing views.

Table 5. References and coding system adopted for respondents

Case Name	**Functional Area** **Sales & Development = Sale** **IT operational & technical support = OPs** **Finance and Admin = FA**	**Level – 3 Levels** **Senior Mgt - SM** **Middle Mgt. - MM** **Front Line Employee - EM**	**Code**
CloudCo	**Sale**	**Senior Manager**	**CloudSaleSM**
CloudCo	**Ops**	**Middle Manager**	**CloudOPsMM**
CloudCo	**FA**	**Employee**	**CloudFAEM**

Note – the senior manager is in charge of the functional area they have been identified with, for example, the Chief Operating Officer is referred to as CloudOPsSM (CloudCo Operations Senior Manager)

5.1.1 Description of the Organisation

This chapter reports the case study findings of CloudCo (ltd), an award-winning small service-based company from a small town in the South East of the country. CloudCo offers total IT solutions for an organisations telecommunication platform needs, including both the infrastructure/hardware and back up support services. These services are highly dependent on the partnership agreements they have with global software partners. From design to installation they provide an integrated system including telecommunications, PCs and cloud services. The objective is to provide an outsourced solution for all the IT and telecommunications requirements targeted at the SME sector. One of the key features they attribute as differentiating themselves is their offer of a leasing/HP agreement where clients do not have to incur the full capital investment for these products and services upfront, but rather they can pay over a number of years. The benefits for CloudCo is that it builds in recurring revenue, but also emphasises the importance of employees managing client relationships.

In its tenth year, CloudCo has 32 employees and is divided into three functional areas with no more than two layers of management in any one area. Based on 29[6] interviews the research findings followed the organisational structure by distinguishing between three functional groups throughout the findings: see table 5 above. The age profile of the staff is relatively young with the senior management team in their mid-thirties. In fact, 62% of the staff are less than 35 years of age, but they have substantial experience with over 66% having more than 10 years of industry experience. A sizable percentage of employees, 52% had a Leaving Cert or IT qualification and hadn't followed the traditional route of pursuing a degree. The workforce is male dominated (79%) and the length of service reflects the high growth with 38% having less than one year's service with CloudCo and 86% having less than 3 years. There is an even enough split in the staffing of functional areas between Sales (38%) and Operations (48%), the FA (Finance and Admin) making up the balance of 14%. For a further breakdown of the demographics please see Appendix 5.1.

As to be expected in an organisation of this size, CloudCo does not have a dedicated HR function or person. The HR role is assigned to/part of the CFO's (CloudFASM) job

[6] In CloudCo, 29 of the 32 employees were interviewed = 91%

specification/remit. The organisation has engaged the services of an outsourced HR professional company for all their compliance requirements such as employment contracts. With reference to the management team it was noted that HR was '*a bit of everybody's position'* (CloudOPSM) However, this does not signify/ should not imply a lack of importance placed on managing staff, as outlined in interviews with four of the senior managers.

5.1.2 History and Background

CloudCo was set up ten years ago by the current MD (CloudSalesSM), however, its significant growth from 7 staff to 32 staff has occurred in the last 18 months. This is attributable to a proactive growth strategy to increase the customer/client base. The Commercial Director has identified an 81% growth in revenue in the previous 12 months. In addition, in the last 18 months, three senior managers have been added to the top management team making a total of five. Central to this growth has been the acquisition of TeleCo (Ltd), a small company primarily providing telecommunication services with an established client listing.

TeleCo provided telecommunication services (primarily telephone systems) targeted at the SME sector and this provided access to a client listing that was seen as a target market for the full range of IT solutions including telecommunications that CloudCo offers. The organisation took over TeleCo's contract commitments and a small number of staff. Following the acquisition, management admitted that CloudCo has been starved of resources. The organisation inherited what is suggested by staff to be contracts that were of poor quality, and their service level agreements have to be honoured even in cases where there is no revenue for payment of support services, in summary; '*technically the things that are installed .. tend to not have been done right'* (CloudOPsMM), leaving reparation and maintenance causing a huge strain on resources.

In a 'people strategy day' (management description) attended by the researcher, the target set out is to be 100 staff in the next three years. CloudCo has signed a public-private partnership leasing agreement for a new office block in an enterprise centre provided by the local authorities on the periphery of the town that they currently operate in. From the very first meetings with two of the senior management team, they outlined their commitment to providing jobs in their community. Further evidence of CloudCo's growth intentions is clear from their recent investment in a modern customer relationship management (CRM) system that enables standardisation of processes and practices with greater measurement capabilities.

The current rate of growth and their future plans present challenges in managing their staff. Although there is evidence that layers of management (supervision) are being set up, these are not formalised and occur in a reactive manner. Job descriptions have been introduced recently, however, there is no evidence that changing roles for the Ops team has been formalised, causing a sense of frustration for this team. Up to 18 months ago, the MD controlled all operational and HRM activities, whereas now, responsibility is being devolved across the five senior managers, albeit in an inconsistent manner. While each senior manager takes the responsibility for managing their staff there is no clear communication about who has the overall responsibility for HRM, with many staff identifying their direct senior manager as having the responsibility. With a strong sense of culture and pride in how staff were and are treated and managed up to this point, the MD and CFO welcomed the research, with their objective of finding out what has worked well for them in managing people, with an aspiration to maintaining this as they grow. They are aware of the challenges they face, evident in a comment from the MD, '*I think that's a huge part of our business is that we're all growing up together and we're all growing up as individuals, as professionals and that, I wouldn't underestimate the value of that because we all fail together or we all succeed together'*.

5.2 Organisational Strategy

CloudCo is pursuing a high quality strategy, where '*customer service is number one'* (CloudFAEM). Their intention is to combine high quality products with a high quality '*customer service' (*CloudSaleSM) solution, where '*premium IT management services'*(CloudSaleEM), *'quality of service'*, '*technical knowledge'* (CloudOPsSM), '*premium brands'* (CloudSaleEM) and '*tailored*' (CloudSaleEM) services are offered to their clients. Backing this up is a '*professionalism*' (CloudOPsEM) and '*personable*' (CloudSaleEM) service where a strong '*rapport*' (CloudOPsEM) and '*trust*' (CloudSaleEM) is essential. They see their offering as innovative in the sense that it allows customers to pay as they go for their telecommunications and IT infrastructure platform. Nevertheless, they are not providing any new innovative products but more of a bundling of different packages that already exist in the market. The configuration of the IT infrastructure and telecommunications system supported with a cloud-based service can be innovative in the sense that competitors may not configure the solution in such an innovative way, given the '*huge consultation that would go in around that'* (CloudOPsSM), including both Sales and Ops.

In the context of this strategy, employees play a pivotal role and have the potential to add real value. With all staff operating in client-facing roles, they hold a level of discretion over the quality of customer service and experiences. With this in mind, the senior management team have focused heavily on the motivation and commitment of staff by providing a positive working environment founded on '*banter'*, *'craic'* and a strong communication flow.

5.2.1 Challenges and Recent Developments

Identified by management and staff alike, the organisation continues to face financial strains imposed by the debt incurred from the acquisition of TeleCo. There is some evidence particularly within the Ops team, that these constraints are causing a reduction in standards and are potentially undermining the quality strategy, given that at present they need to do '*anything to get money'* (CloudOPsEM) which has caused a shift to focusing on '*functionality and cheaper'* (CloudOPsEM) product offerings. At the time of the study, the management team feels that they are at the end of working out contracts inherited in the takeover. They believe this will free up resources and provide some breathing space for them so that they can plan their preferred growth strategy of high quality products and services.

As part of their efforts, the management team have invested a significant resource into a customer relationship management system (CRM) that enables them to monitor, direct and support operations for all staff. It is evident that '*the way our CRM system is set out, our processes, you can see that the guys are gearing it towards … obviously there's only a small amount of people here at the moment but you can imagine this process being at work for an extra 50, an extra 100 people in the firm so you can, it's clear of where the guys see the business going and I think they're putting the, the management team are putting the foundations in place for growth. This epitomises the ambitious nature of the directors as I would actually think that the way the CRM system is now utilised here is actually superior* *to the way it was being used in O2 and Vodafone'* (CloudSaleEM). This CRM system captures the activities of all three functional areas of SD (Sales and Business Development – through tracking activities such as the number of calls, appointments, sales, etc.), Ops (Operations – a ticketing system for problem solving, input into designed client solutions) and FA (Finance and Administration – through tracking activities such as invoices issued and credit control days). The intention is to build a *'process'* (CloudSaleSM) into staff activities in order to achieve higher customer service. The risk associated with this standardising and narrowing the scope of activities is at odds with the traditional flexible and autonomous approach that has worked to date for their employees.

While management stressed the pursuit of a high quality strategy it emerges in the case that a few of the operations team that provide the technical support and design solutions for clients have contrasting views, '*I'd say the philosophy is kind of that to have the cheapest possible workforce to fulfil the tasks required. Not necessarily to the high quality standards as long as it's complete and can be signed off'* (CloudOPsMM). Some explanation for this contrasting view may come from perceptions of the technical team about their current role and purpose: '*I feel that at the moment, we are doing anything we can to get money. I feel that we're compromising a lot, and I mean, it was, when I kind of interviewed for here, I was kind of told, you know, "We're a … This is our standard and if a client won't pay for it, we'll tell them no." That has gone out the window. That has just … Now it's a case of we need to get clients in and we need them to be paying and we will do whatever we can to, do you know, we will compromise on the products that we put in there'*(CloudOPsEM). This again alludes to the difficult financial constraints that the organisation finds itself in due to the expansion and inherited nonperforming accounts.

Going forward management are aware that they do not have a clear mission and vision, '*clarity needs to be brought to that'* (MD - CloudSaleSM), however, they are committed to working on it. The management team are working on a range of standard packages, rather than being all things to all customers. In parallel with the introduction of the CRM system, an increase in repetitiveness is likely to have a significant impact on the work practices of staff who are used to low levels of 'micro-management'. Management acknowledged that they have growth plans and convey these regularly to staff (at a staff day attended by the researcher), however, there is a lack of a connection between the growth plans and the everyday for most staff, '*I don't really know the big plan actually'* (CloudOPEM).

In many cases, there is a perception that management is overselling the opportunity, particularly evident in the recruitment process. One technical member of staff suggests that his perception was '*that the company works on much more advanced projects or technology,…. So it was like almost like a false perception of the company being big'*. Recruitment is proving more challenging in recent times, and the geographical location has been identified as a major contributory factor. The organisation has launched a graduate programme with 3 recruits in the last 6-12 months. The Ops team have identified a shortage of tech/engineering staff in the region to support the number of clients, which is likely to restrict growth. Many employees bought into the career prospects of a growing organisation that would provide opportunities, they '*are not so sure now'* (CloudSaleEM). There is a sense of frustration rising as there are no tangible plans in place, '*I had a discussion with the guys on my last review that there is no clear vision of what this company is intending to do'* (CloudOPsMM). And the longer this continues, they risk a reduction in commitment, as emphasised by one of the Ops team;

They said to me, *"Oh, we see you here in a few years' time up here," but like, I was like, "Well, how am I going to get there, like?* (CloudOPsEM).

5.3 HR Strategy

The ultimate goal of any HR strategy is that it brings about the desired behaviour in employees., it is not necessarily about the success of an organisational strategy, but whether one can one achieve your intended strategy, and "as such, an organisational climate can act as a strong situation when employees develop a shared interpretation of the organisation's policies, practices, procedures, and goals and develop shared perceptions about what behaviours are expected and rewarded in the organisation" (Bowen and Ostroff, 2004, p. 207). While a formal HR strategy does not exist in CloudCo, nor are the policies, practices and procedures as formalised as management would wish, the goals of what is expected and rewarded is shared amongst a large proportion of the employees, specifically this includes: hard work, continuous learning and a commitment to customer service, enabled by an attitude of motivation and commitment. Although a formal HR policy may not be clear, there is a deliberate attempt to recruit and create a suitable working environment to build a highly motivated and committed workforce. In the absence of a formal HR strategy, the researcher explored management's philosophy to managing employees.

Senior management acknowledges that they have adopted a *'reactive'* and '*ad-hoc'* approach to the HR functions and practices, and suggest that the current research was an opportunity to assist the organisation in capturing what works for them so that they can formalise it and build on it. There is a shared perception among many employees, in particular, the technical team, that a more '*proactive*' approach is needed. They '*don't have any formal set out people management strategy'* (CloudFASM), yet there is a sense from the person in senior management with the most responsibility for HRM, that the practices '*work quite well together, ……. But probably more by accident than design'* (CloudFASM).

Through their chosen practices, management's aim is to support and reinforce a high commitment philosophy: '*it's important to the …. (MD) and the other guys (management) that it's somebody that's interested in the company and where the company is going and kind of if you're happy to be here, then they're more than happy to have you here and look after you'* (CloudSaleEM). In line with recruiting '*ambitious*' staff, the objective of how staff are treated is to create an environment where potential is nurtured. In addition, the close working relationships, open forums and an open door policy provide the supports for the development of a strong employment relationship.

Senior Management at CloudCo has adopted two broad approaches to building a highly committed workforce: one; bringing in high '*potential*', '*motivated*' and '*ambitious*' talent and providing them with the environment to succeed, secondly, building strong working relationships where a person organisation fit is paramount. In order to achieve this, potential candidates must pass the '*pint test'*; would you be able to go for a pint with this person? (CloudSaleSM) They prioritise selecting talent that can have the '*banter*' while at the same time working hard. They prioritise the person and potential over skills and experience. These two approaches are enabled by the closely aligned views of the tight management team with their close working relationships facilitated by their regular after hours meetings.

Significantly, in discussing his primary role in the organisation, the MD (CloudSaleSM) identifies three priorities (1) nurturing the culture, (2) '*attract new staff'* and (3) engaging '*with existing talent'*. This is achieved by recruiting potential and nurturing the potential through opportunities to learn. Adopting a learning by doing approach and employing people who possess a hunger to progress, senior management encourage them to take on challenges that appear beyond their experience and qualifications. Employees will be given the opportunity and if brave enough they can attempt tasks outside of their comfort zone: *'Sure,* *if you make a mistake, what's the worst that can happen?*' (CloudFAEM). When asked for words to describe the ideal employee, it becomes clear what management is striving for: *'drive', 'passionate', 'enthusiastic', 'eager', 'approachable', 'team player', 'professional'* and those who are not afraid to '*step out of their comfort zone'*. '*There's a reason why that's kind of working at the moment*' (CloudOPsEM) because employees with these characteristics are chosen and promoted. In addition to recruiting these characteristics, the management team recognise the need to provide the opportunity for these highly ambitious recruits to learn and progress. Evidence suggests that their approach works because of the people they recruit and the opportunities they provide, summed up in; '*I probably learned ten times as much as what I have done here than what I have in three years in my other job*' (CloudFAEM).

The word that reflects the second approach and the emphasis placed on the importance of person organisation fit; is 'banter'. It is an important part of the working relationships and is encouraged throughout the organisation, epitomised in *'work hard'* and '*play hard'*, *'it's really, very stressful but it's worth it'* (CloudFAEM). This ethos was aptly summed up by the COO (CloudOPsSM): *'I mean, if you weren't willing to work hard, you'd be found out quickly enough and you know, it wouldn't be tolerated, but at the same time, you're not trying to work everyone to the bone. Like, you're trying to ensure that there's a bit of craic and a bit of banter and whatnot in it'*.

In line with the 'content' view, the next section describes the HR functions and their associated HR practices to uncover the reality of what functions in this case. The section thereafter takes a process view; by examining 'how' process features either strengthen or weaken the delivery of the intended message, by contributing to the effectiveness in establishing a common shared perception of what is expected and required by management.

5.4 HR Practices – Content View

5.4.1 Recruitment and Selection

Given the size of CloudCo, the sophistication and attention placed on recruitment and selection is very high. There is a significant investment of time and resources devoted to finding the right talent. The process is led and controlled by the MD, where potential candidates are primarily identified and targeted using word of mouth. This approach enables an early assessment of the personal characteristics, in keeping with the importance placed on person-organisation fit. This has been expanded by the use of referrals from existing staff for sourcing potential. Where possible CloudCo also likes to promote from within, with examples coming from the Ops team in particular.

In most cases and more recently, the selection process involves several stages including a minimum of two interviews (often two formal and one informal) with two or more of the senior management team and a psychometric assessment. Very significantly, and in keeping with the '*banter'* climate, the '*person*' is selected over *'skills'* and experience, where management uses the test: could we go and have a pint with this person and believe skill deficiencies can be overcome? As the organisation grows, continued direct involvement of the MD and management team may prove difficult.

Although time consuming, their multifaceted approach targets highly driven, enthusiastic, passionate, ambitious and self-motivated staff that want to learn, based on the logic that '*the difference with enthusiasm is that they learn more and they are more capable and more competent'* (CloudOPsEM), which elicits the attributes of a highly motivated and committed workforce.
The intensive selection process has a positive impact on potential employees. Some employees are surprised and impressed by the professionalism involved: *'I think the thing that struck me when I came, like, into the organisation was the professional attitude in the whole employment and the interviewing strategy'* (CloudSaleMM). However, it emerged that some employees feel that the opportunities, level of advanced technology and client listings may have been overstated. In many cases, employees feel underwhelmed once they start. While the induction is considered positively from an employment relationship perspective i.e. a warm welcome, it is lacking in technical depth and support.

5.4.2 Training and Development

To date, training may be best summarised as on the job training; adopting a trial and error approach. In recent recruitment, initially staff are brought in for an induction and given a Powerpoint overview of the organisation and its plans, however, beyond this, staff is expected to learn on the job. Training has been reactive more than proactive. This is particularly so in the Ops division causing high levels of frustration. Training tends to be reactive to the demands of products and software updates, meeting their partnership agreements with the software providers. Once hired, staff is given a list (often unrealistic) of exams to do with little focus on broader development skills.

Recently, there is evidence to suggest that CloudCo is investing in training with demonstrations being provided for all staff on the use of the new CRM system. There is a more structured approach adopted with SDs (sales and business development team). Here new recruits are given the opportunity to shadow a more senior member of the team on sales pitches. In addition, the MD encourages sales staff to share their experiences and success stories with the team at the weekly meetings introduced in the last six months. Further, a recent addition as chairman to the board is a semi-retired non-executive director with extensive experience in business development, who provides two hours training to the business development team bi-weekly.

Both the Ops and FA teams are looking for a more structured and planned approach to training. Not surprisingly, staff is concerned that studying for exams is done on their *'own time'*. Many staff highlight that the organisation will support the payment of training and exams, but in many cases, the training needs to be self-driven. '*Any little training or development that I have done, I have done off my own back for myself. I haven't been given really anything from the company, so I've done an awful lot of certification and an awful lot of exams in the last 2 years, and I was always studying in my own time. It was all paid for by the company for the exam, in fairness, ... You know, in terms of did they give me opportunities to go training, I'm sure if I wanted to find the right training and I went and asked for it, I could get it, but stuff like that isn't presented to me either, you know*.' (CloudOPsMM). While many staff believe there will be opportunities with the growth strategy, many feel there is limited opportunity for development presently.

Commentary from employees suggests that a more formal lengthier induction and on-boarding would significantly reduce the time for learning. Most would agree that there is a steep learning curve, and that training should allow staff time to practice rather than just demonstrations. Management believe that a planned approach to training would be aided by them narrowing their product offering to a number of packages, something that the management was actively exploring

5.4.3 Performance and Rewards

Until recently, performance assessment has been conducted in an informal way, where one of the senior managers (most likely the MD) would have a chat about how things are going. However, in recent months, performance is captured through the CRM system, with all functional areas recording their daily activities in the system. As examples; business development record the number of calls and appointments arranged, sales record their client activities, sales and tenders; Ops record their number of IT problems solved (the 'ticketing' system), and finally; the FA team record their credit control activities. All of this culminates in a comprehensive view of the entire operations and enabling the production of important KPIs for senior management.

Since the engagement of the researcher, the organisation has implemented formal performance reviews across all functional areas. Although implemented, they have proven to be very informal and ineffective with respect to performance, in many cases, these focus on the person and are '*not based on KPI's at present'* (CloudOPsSM), but more based on a chat about how things are going. However, SD targets are under constant review with weekly meetings.

Both management and employees acknowledge that everyone needs to work hard in the organisation, and underperformance is not '*tolerated*' (CloudOPsSM). In addition, employees claim to have strong work ethics and feel a sense of obligation to the organisation; which they often attribute to the leadership style of hard work and commitment displayed by management. Broadly speaking, informal continuous feedback has been evident since the early days and is welcomed by the staff.

While rewards may not reach the industry average heights, employees and management agree that they are fair for the region, and relative to the lower cost of living locally. Extrinsic rewards are standardised within groups. For sales, this is achieved by offering financial incentives for reaching sales targets. This proves more difficult for Ops and FA, as tasks and their difficulty are not easily measured. For the Ops and FA team, the goal is to recognise staff success (through praise and recognition, some of which is captured in yammer) and to provide job satisfaction and challenging work as this is what is deemed relevant to this group. Interestingly, one of the senior management team with control over rewards suggested that money is more relevant to sales teams, '*money makes them tick'*, whereas, for the Ops and FA team, '*praise and recognition is way more important'*. Whether the interpretation is correct or not, this directly points to an attempt by management to make the rewards more relevant to the staff, or at least various staff groups. Praise and recognition are highly visible across the organisation, with staff achievements posted on a staff blog (Yammer). Management take every opportunity to praise the staff.

5.4.4 Employee Involvement/Communication

With an open-door policy and an approachable style, employees feel they are listened to. Employees feel that the door is always open and some are surprised by the fact that they can call or talk to the MD any day and he will find the time to have a chat. This was particularly emphasised by the graduate program candidates who seek clarity on their futures. Further, an open-door policy by management allows staff to get answers to their questions and increase clarity; '*I'm comfortable to go into my manager. I know I can go into my manager whenever*' (CloudFAEM).

Staff feel that management will respond and have become more realistic in terms of targets. There is growing evidence of staff being consulted (negotiated consent) in advance of setting targets. Involving them in setting targets tends to lead to greater perceived fairness, and the targets become more relevant to them, thus strengthening the distinctiveness. Even unhappy staff acknowledge this accessibility to management and the good working environment, '*you're listened to and you know, your feelings are taken on board and it's not just lip-service'* (CloudSaleEM).

Close social and working relationships are conducive to positive employment relationships depicted by the banter and craic that are promoted by the senior management team. The leadership style is a hands-on approach and they lead by example with a hard work ethic represented in the long working hours, clearly visible by staff. Many employees comment on the availability of the senior management team working late into the evening most days.

The management team led by the MD operate an open door policy where approachability and accessibility are key. Similarly, management take every opportunity to acknowledge success (advertised by the people strategy day attended by researcher, and the circulation of success stories in Yammer). The strong employment relationship is very important and as one senior management member suggests it '*is helping us to retain people'* (CloudOPsSM). This positive working environment contributes significantly to an overall perception of being treated fairly.

In summary, the senior management team places a great deal of importance on finding the right candidates that are eager to learn and progress. Their targeted and intensive selection process prioritise a person organisation fit. However, once in the organisation, there is a sense that training and development opportunities do not live up to expectations, particularly in Ops and FA division. There is a strong work ethic reflected in the long working hours by the senior management team. There is a consensus that everybody works hard and intrinsic rewards are prioritised, with learning and personal growth to the forefront. The extrinsic rewards are fair for the region, and the positive working environment of banter and craic is promoted. While there are close working relations with an open door policy, decisions are very much top-down.

5.5 System Strength – Process View

Having formerly reviewed 'what' HR practices have been adopted, the next section extends our exploration to consider 'how' system strength features impact the effectiveness of these practices in delivering the message about what is a priority for management. The Bowen and Ostroff framework is used as a lens to examine the effectiveness of the process features through the eyes of both management and employees. The message of CloudCo's management team wish to send to employees is one of a high quality product and service delivery. Their approach to achieving this is to build a highly committed and motivated workforce that is more likely to display appropriate attributes and behaviours such as high quality customer service. Thus our attention turns to whether the processes and practices adopted arouse attention to this message.

We note the objective of system strength is to support the realisation of business intent by ensuring there is a collective perception of the requirements of the organisation from both management and employees. With this in place, it is likely that the gap between intention, implementation and perception will be minimised and people will ‘sing from the same hymn sheet’. The risk of a weak system is that the process “is unlikely to promote organisational effectiveness because either individual climates dominate or the collective sensemaking is misguided and possibly inconsistent with organisation strategic goals” (Bowen and Ostroff, 2004, p.214). Bowen and Ostroff (2004) suggest that a system that is perceived as high in distinctiveness, consistency and consensus will create a strong situation, see the literature review chapter 3 for a table (3.1, p. 45) summarising the features of the framework. Using message-based persuasion and social influence literature, they build a conceptual framework of features that will enable a strong situation to prosper, resulting in a strong organisational climate (collective) rather than an idiosyncratic psychological climate of individual perceptions (Bowen and Ostroff, 2004). Thus, employees yield to the message and place the organisational goals ahead of their own. The next section presents and analyses the evidence of distinctiveness, consistency and consensus, and their associated features at CloudCo. Notably, most analysis of HRM in small firms begins and ends with a content perspective, without exploring process. In a similar vein, most process research has failed to offer a rich qualitative appreciation from the perspective of management and employees

5.5.1 Distinctiveness

A system that is distinct generally stands out in the environment. The more distinct it is, the more obvious what it represents is likely to be. Although a message may be distinct, received and accepted, it may be the wrong message, thus the findings must consider whether the message delivered is the one intended and does it support a motivation and commitment to high levels of customer service and professionalism across all stages of design, implementation and back up supports. As initially suggested by Bowen and Ostroff and empirically demonstrated by Delmotte et al., (2012), features that determine levels of distinctiveness are visibility, understanding, legitimacy of authority and relevance. Attention now turns to exploring these features and their role in ensuring the message is delivered as intended in the context of CloudCo.

5.5.1.1 Visibility

Visibility is the "degree to which these practices are salient and readily observable", as a "prerequisite for interpretation", visibility provides employees with an opportunity to make sense of the practices (Bowen and Ostroff, 2004, p. 208).

Upon first examination, with no obvious HR function or an assigned manager, visibility of the HRM function at CloudCoo could be interpreted as low. Although the CFO (CloudFASM) agrees that the function falls under his responsibilities, staff was not sure of who held the responsibility for HRM, with most crediting their direct line manager with the responsibility. Yet although the HRM title is not evidenced, strength comes from the high visibility and prominent senior management that are perceived to hold the responsibility for managing employees. Already here we get a sense of the value of applying the Bowen and Ostroff metafeatures rather than a surface level assessment which would suggest deficiency because of a lack of a formal HR presence. Interestingly, one of the senior management team unconsciously alluded to the importance of visibility, in describing a recent training event. At the start of the event, attendees were asked about their experience of similar training, and to his surprise, his colleagues claimed to have had no experience. It was not until after the exercise that they realised their error, showing that they were not consciously aware themselves, thereby highlighting the need for reinforcement and visibility.

While lacking the formalised practices and procedures of a traditional HRM function, the senior management team hold regular discussions on how they manage staff and clearly see it as a '*high priority'* (MD and COO). Led by the MD, a rigorous and multifaceted professional approach to recruitment and selection places a strong and clear emphasis on person organisation fit. As one employee noted '*I think the thing that struck me when I came, like, into the organisation was the professional attitude in the whole employment and the interviewing strategy'* (CloudSaleMM). With a minimum of two senior managers and three stages involved in the process, new recruits are aware of the importance of getting a highly motivated and committed employee that can work hard while adding to the 'craic' and 'banter'. Having established these important characteristics, senior management is rolling out a referral option to target individuals with an ethos that fits with the organisations, with one middle manager in sales actively targeting candidates.

Beyond the requirement for exams for compliance purposes and a brief induction, training and development are unstructured, unplanned and reliant on being self-driven, largely to be carried out in one's '*own time*' (CloudOPsMM). With a reactive approach, once you enter the organisation, it is either '*sink or swim*', and is perceived negatively by many, particularly so in the OPs team. With the recent introduction of formal training in sales, visibility of training and development is growing, although this may serve to cause division/friction between functions.

With an increase in the number of and formalisation of HR practices, such as performance appraisals, the CRM system and weekly meetings, visibility of HRM is increasing. The CRM system is being used to standardise work processes, and acknowledged by senior management it is '*being shoved 'down their throats*' (CloudFASM). The CRM system enables closer monitoring and recording of staff activities, is being used in the weekly sales meetings where the perception is your '*lingerie is hung out to dry in front of everybody*'(CloudSaleEM). Although first introduced in sales, regular organisation wide meetings places emphasis on targets, constructive feedback, and teamwork.

Extrinsic rewards are standardised within groups, with the same incentives available to groups of employees in the same roles. The management team has suggested that it is their intention to provide some form of incentive across all groups. Praise and recognition are highly visible across the organisation, with staff achievements posted on a staff blog (Yammer). Management mentioned that they take every opportunity they can to show their gratitude, conveyed by the MD, *'I try to, you know, small things, anything, any opportunity I have to praise anybody, I will take it.*'

Management pride themselves on a strong rapport they have with staff facilitated by regular communication and an open door policy. To ensure staff is informed and involved, the management team has introduced a staff day, where they undertake social activities followed by dinner and an update by the senior management[7].

There is no formal method for outlining and recording the HR policies and practices that they have adopted, but more of an agreement by management on how to do them. In many cases, it is about learning as they go along. However, as mentioned earlier, the close contact

[7] This staff day typically takes place off-site with team building activities followed by a planning session followed by food and drinks. The researcher attended one of these days in the Summer of 2015, and employees responded positively to the opportunity and to hear about senior management's plans.

and regular communication of the senior management team allows them to manage without high levels of formality. While management feels their approach is working well, they are nonetheless increasing the levels of formality to enable growth through standardisation. Visibility, therefore, takes both formal and informal dimensions and so is a particularly pertinent concept for exploring people management in small firms. The proximity enables a greater presence by senior management, and not only are employees more aware of their priorities, but senior management sense issues arising and respond (seen by the introduction of the people strategy day that proves informative for employees while also increasing morale). For summary table, see Table 5.1 below.

Visibility [8]

Key Findings

- Most employees didn't know there was a HR person or who it is. No designated person obvious.
- 'I guess it's the person who is in charge of the most employees', 'Didn't know there was HR person', 'is it my manager'
- No assigned HR title – part of CFO job role (recent)
- No HR strategy or HR policies – compliance based outsourced – employment contracts

First order constructs – Visibility

Lacking formal status & policy

- Increase in number of HR related activities – CRM, Performance Reviews (PAs), Yammer (Staff Blog), and regular staff meetings – weekly in Sales and bi-weekly elsewhere
- Bi-weekly training for the sales team from expert
- Formal induction – presentation about the organisation – history and growth plans introduced
- Increasing standardisation through CRM - ticketing system, invoicing, standard operating procedures – 'if it's not in connectwise, it didn't happen' – staff pay attention to requirements but some unsatisfied with training on system

Growing number of HR activities

- Senior Management involvement
- On-site and regular communication – people strategy days and social events
- Senior management can be seen on site most days – one of them always contactable
- Every opportunity for praise and recognition is used – Yammer and management acknowledge personally achievements of staff

Senior management

- Senior management work late on a daily basis
- Senior management meet after hours to discuss issues
- Senior management meet employees after hours to discuss issues
- Belief it is going well but 'more by accident than by design'

Regular communication

[8] Visibility is summarised and grouped primarily from the 165 entries in NVivo. Key descriptors for identifying visibility: 'practices are salient and readily observable', 'disclosed to employees', 'number and range of practices', 'increases complexity' and 'more figural relative to other stimuli'.
All key descriptors and definitions are taken from Bowen and Ostroff (2004; 2016).

5.5.1.2 Legitimacy of Authority

People are motivated by something if they perceive it to be important and the staff is more likely to submit to performance expectations where the HRM function holds a "high status, high credibility*"* role within the organisation (Bowen and Ostroff, 2004, p. 209).

HR is likely to be important and hold legitimacy of authority if it holds a top management level position, "this is most likely when HRM has significant and visible top management support in the firm" (Bowen and Ostroff, 2004, p. 209). CloudCo is an unusual case in that, although there is no separate HR function, top management place a high priority on managing people, and those implementing the HR practices hold extensive power (senior management). Although management has designated responsibility to the CFO as part of his job specification, this is very much the compliance side of HRM rather than the people management side. Each manager tends to manage and govern their own staff, roles and responsibilities. As CloudOPsMM noted '*There is still an awful lot of one-to-one because of the size even currently but it's at a size now where it either needs to grow another small amount for it to become somebody's full-time role in terms of managing people. At the moment, it's a bit of everybody's position, I believe, in terms of X and Y and Z in terms of dealing with, like, just their own teams, I suppose*.'

Although high in status, this power may be gradually undermined by a lack of credibility. Staff in the Ops team feel that the recent introduction of performance appraisals was ineffective and seen as a chat resulting in no real outcomes such as training plans. Further issues have arisen with the graduate programme with a feeling that it is made up as they go along. With none of the senior management team having a background in people management, the credibility may be further weakened. As to be expected, there is a sense that ultimately, decisions (particularly as related to the likes of rewards, recruitment and promotions) will come down to the MD. He holds the leadership role and is the ultimate authority, that said, given the top level management's extensive role in enacting HR practices for their respective teams, legitimacy of authority may be considered high as it directs staff's attention to the managements' needs. So while not formally ingrained or evidenced as a positional authority there is authenticity in the way top management, especially the MD walks the talk and nurtures talent. While lacking the technical HR background, employees respond to the high perceived power (Donaldson et al, 2001), and senior management's priorities on recruiting eager candidates and providing them with opportunity are emphasised. For summary table, see Table 5.2 below.

Table 5.2

Legitimacy of Authority [9]

Key findings

First order constructs – Legitimacy of authority

- Lack of HRM skills and experience on senior management team– assigned to CFO (accountant)
- Compliance issues are outsourced such as employment contracts and H & S
- Management believe it is going well, but 'probably more by accident than by design' (CFO)

Lack of HRM skills & experience

- It's probably the MD who makes the final decision
- Everyone (senior managers) takes responsibility for managing their team.
- MD ultimate decision maker in rewards, recruitment and promotion – while lacking positional authority, yet authenticity in way MD walks the talk – high perceived power – pay attention
- Everything the MD has said would happen has come through and the plan is to 100 in the next three years.
- MD showed up at social and sporting events in hope of recruiting people
- Strong views that it is about getting good people in
- Investment in HR related activities – CRM, PAs, inductions etc.

High perceived power & investment

- 'They know what they are doing'
- Management work very long hours and stay back most evenings
- World class senior management team as described by MD to all staff at event
- Senior Management background – work experience recognised by employees
- 'I think the thing that struck me when I came, like, into the organisation was the professional attitude in the whole employment and interviewing strategy.
- The MD has lots of experience in sales
- 'The whole recruitment process was very professional'
- If we have any issues, management would meet us after work to chat. It's great the way we can have a one-to one- 'they will make the time' – approachable and available

Work ethic & professionalism

- It's amazing what they have achieved so far
- Poor performers worked out – we made a list of those we wanted to get rid of, and they are all gone now – action taken, credibility enhanced
- Expert hired in for sales training where needed

Admiration & respect

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[9] Legitimacy of authority is summarised and grouped primarily from 135 entries in NVivo. The key descriptors are: 'high-credibility function', 'investments in HR practices', 'visible top management support'.

5.5.1.3 Understanding

The more employees understand the objectives behind practices and how they operate the more distinct the message they represent becomes. At a basic level, staff know what they are to do and they know what they get paid for. However, some of the practices prove frustrating with a lack of understanding between performance reviews (where carried out) and associated training plans. In many cases, staff do not know the objective behind the performance reviews and consider them as more of a chat to find out how they are doing versus what management intends them for, which is to find out how targets are going and how training and development opportunities can support their progress. There is no clear evidence that an employee's CRM activities are used in performance reviews. Following on from these reviews, many staff do not know what their intended training plans are beyond sitting exams.

Some employees do not understand the obvious links between their CRM system (Connectwise) work and their appraisals. Further, they do not see how these activities entered in the CRM system are connected to their training. Several employees fail to see the connection between the CRM system and the future growth of the business, some feel that it is more about monitoring their performance rather than building a pipeline and a process to facilitate growth, '*If it's not in connectwise, it doesn't matter'* (CloudOPsEM). Entering activities in the CRM system is a time consuming activity so needs to be justified in their eyes. One employee conveyed his disappointment that the CRM does not allow for collaboration with other staff on solutions to IT technical problems, thus creating a narrower focus to their work. By contrast, management is very clear on their objectives for the CRM system, '*what we're trying to achieve is that by demonstrating to them if they apply a process and, in an organised fashion, that they will achieve the output that they want, like. I'm measuring a lot of that through the system. The sales team doesn't have a huge amount of autonomy. Like, all their proposals and, around on sales all need to be signed off before it would be put through*' (CloudFASM). There appears to be a gap in understanding between management and staff. Arguably staff know what they have to do, but management want to bring this a step further, and standardise how they do it through processes, starting with the Sales team.

The lack of understanding and grounding related to CRM stands in contrast to other aspects of their work. There is a very clear understanding that management want staff to learn and grow and if there was an award for employee of the year, some staff believe it would go to the one who learned the most. In further support of this philosophy, management support staff taking risks and learning through trial and error, *‘Sure, if you make a mistake, what’s the worst that can happen?”* (CloudFAEM).

Misunderstanding is likely to be more prevalent where poor communication exists. Yet in the context of the size of CloudCo and management approach, there is regular contact with most staff. Nonetheless, many staff are disillusioned by the lack of clarity with respect to the organisations growth plans. They understand that management has a plan, but they fail to see how it connects to what they are doing: ‘*I think it needs to be better across the board. As I said, there is a bit of that detachment at the moment between what the management are doing and what they are saying as well as what we are being told. So like, it’s very difficult for us to have that same sort of drive and same sort of direction if we’re not being told what are the changes that are being made or, you know, like, and that sort of way so..’* (CloudOPsMM). As a further example, many employees were annoyed with how they found out about the building plans for a new purpose built facility with some reading about it in the local paper. The introduction of sales and technical meetings is increasing the understanding of how to do your job, as they facilitate open discussions, thus providing answers to questions: *‘I find the weekly meetings great*’ (CloudFAEM). Further, an open-door policy by management allows staff to get answers to their questions and provides an opportunity for clarity.

In summary, as some staff do not fully understand how some practices operate nor why they have been implemented, it reduces their motivation and commitment to adopt them. As an example, while the CRM system may be received, it is less likely to be effective in delivering consistent quality through standardisation should staff not accept or yield to the message. As captured by Bowen and Ostroff “For a message to have its desired effect, both reception and yielding are necessary” (Bowen and Ostroff, 2004, p. 207). For summary table, see Table 5.3 below.

Table 5.3

Understanding [10]

Key Findings

Key Findings	First-order constructs – Understanding
- Training is done in your own time – sink or swim - Lack of understanding for Performance reviews and lack of connection to training plans - If I wanted training – I guess they would pay for it, but it is not planned in any way for Ops or FA – emphasis on Sales in short term - 'They told me I would be up here, but how am I going to get there' - Sales training is prioritised in short term – explanations provided	**Some lack of understanding**
- Obvious structure between what people do and what they get paid for – targets and tasks agreed with management - There is some consultation on targets - Daily onsite management presence	**Task line-of-sight**
- 'I try to, you know, small things, anything, any opportunity I have to praise anybody, I will take it'. - The door is always open and if you have an issue they will usually meet you after work - Generally one manager – yet could get instructions from any of the 3 key senior managers - Size favours greater awareness and MD tries to get to everyone – makes a point of it	**Positive communication**
- CRM - 'If it's not in Connectwise, it doesn't matter'. 'what we're trying to achieve is that by demonstrating to them if they apply a process, and in an organised fashion, that they will achieve the output that they want'. - CRM ticketing system - I find the weekly meetings great – introduced, plus open door policy - Yammer is used to share client successes - Inductions for new staff	**Implementing processes**
- Plan is to grow to 100 in 3 years – lacking detail - 'Bit of detachment ….between what management are doing and what they are saying as well as what we are being told'. - ' false perception of the company being big' – rose tinted view - Found out about new building in the local newspaper - Graduate programme – promised to move around functions every six months has not worked out - We are aware that there is financial pressures from old contracts – they were not of good quality which is adding extra pressure – survival becomes a priority - External pressure apparent to staff as acquisition placed pressure on staff resources, initial focus on sales explained to Ops and FA.	**Plans missing but expectations**

[10] Understanding is summarised and grouped primarily from 78 entries in NVivo. The key descriptors are: 'lack of ambiguity and ease of communication', communication must be 'understood', 'drawing attention to some features'.

5.5.1.4 Relevance

People are motivated by something if they perceive it to be important and if the outcomes are relevant to them. As Bowen and Ostroff explain "the situation must be defined in such a way that individuals are willing to work toward goals that not only allow them to meet their own needs, in doing so, also allow the organisation to achieve its goals" (Bowen and Ostroff, 2004, p.209). In order for employees to direct motivational attention to an HR activity, they must view it as relevant to some organisational goal and it must be relevant to their individual goals.

At an organisational level, CloudCo's goal is to build a highly motivated and committed workforce in order to achieve high quality through customer service. Identified by management, for the SD team, this is achieved by offering financial incentives for reaching sales targets. This proves more difficult for Ops and FA, as tasks and their difficulty are not easily assessed or measured. For the Ops and FA team, the goal is to recognise staff success (through praise and recognition, some of which is captured in yammer) and to provide job satisfaction and challenging work as this is what is deemed relevant to this group. Interestingly, summarised by one of the senior management team with control over rewards, who suggested that money is more important to sales staff and praise and recognition to Ops and FA. Whether the interpretation is correct or not, this directly points to an attempt by management to make the rewards more relevant to the staff.

Where individuals have control over how they do their job, they can do it in a way that meets their individual needs. Traditionally, there was no suggestion of '*micro management'* (CloudOPsMM), as an example, *'I am not controlling what am I working at, but I'm controlling how am I working'* (CloudOPsMM). '*I'm sure if I decided if I had a better way of doing it or preferred to do it a different way, as long as the end result is the same, like, there wouldn't be a problem*.' (CloudFAEM). However, there is a risk of this changing with the implementation of the CRM system and its objective of standardisation. The use of narrative by the CFO signifies a strong shift to prioritising organisational goals, *'we have driven a lot of process and procedure down their throats, ……., forced them basically to record their activities……. The sales team doesn't have a huge amount of autonomy*' (CloudFASM). The expectation is that this approach is to be rolled out across all functional areas in the organisation. At the time of the study, there is some apprehension about the CRM system and the benefits to the individual. While it will increase consistency in the delivery of the service through standardisation, it is changing the way jobs are designed by increasing routine and repetitiveness.

Given the small size of the organisation, employees, generally, are aware of the relevance of activities to the organisation and themselves. Staff is aware of the relevance of their performance and activities on outcomes such as customer service as they are in direct contact with customers. Further employees are aware of the need for performance in order to grow the business. However, a lack of clarity around organisational growth plans and individual training plans may reduce the perception of relevance. Several comments suggest that management know what they are doing and have a plan. If employees don't know the plan, the plan becomes irrelevant to them. Likewise, unless, the activities such as training add value to the employees' growth, they may perceive them as irrelevant. For many employees, they say that they are expected to complete exams for the benefit of the organisation, and do not see the benefit for themselves. This (mis)perception is only furthered by a failure to allocate work time for study and preparation, thereby creating a disconnect between the value required for the organisation and the demand placed on individuals. Many staff would suggest that training needs to be more relevant to their individual needs, and as a graduate suggests: '*There probably needs to be a lot more training and stuff around what I'm doing'* (CloudOPsEM). It is a difficult challenge to strike a balance between the organisations needs and the individual, where the organisation is prioritising standardised activities through the CRM system and the employee's individual needs.

It is fair to say relevance is strong and the perceived power and credibility of those enacting practices heightens relevance for employees. There is a risk, however, that this may be undermined if promises are not delivered upon or without sufficient communication and justification for the practices chosen or introduced. There is a risk here for management, because if the growth strategies are viewed as unattainable, they will no longer be relevant, and motivation and commitment will be undermined. For summary table, please see table 5.4 below:

Table 5.4

Relevance [11]

Key findings

First-order construct - Relevance

- Employee of the year – the one who shows initiative, who came up with ideas or 'who learned the most'.
- When you come in, 'it's either sink or swim'. You need to be willing to take initiative, learning by doing – there is no such thing as a mistake
- No such thing as a mistake – trial and error approach
- 'I have learned ten times more in this organisation than my previous organisation.
- Hardwork and learning are key

Learning focus

- Have to be able to join in the banter and craic – person organisation fit – pass the pint test.
- I have been working on bringing in old colleagues – actively recruiting referrals
- Recruiting enthusiastic and driven employees who are willing to take initiative
- Similar traits identified for those recruited and those who get on and do well – enthusiastic; 'the people that have been brought into the organisation have been kind of chosen because of their like-minded approach to things'
- The MD interviews everyone at some stage

Ideal employee

- Buildings and facilities – new state of the art office block designed and approved – open plan and collaborative environment.
- People strategy days and social events
- Daily discussions on jobs and tasks with management - management interchangeable – talk to MD anytime.
- Staff informed but not consulted on strategic activities – new premises disclosed in papers

Regular communication

- Some mixed feelings about the introduction of the CRM system
- Without CRM – 'you will not be able to widen the team while still maintaining that level of service, that's core to what they are trying to do'.
- People strategy days focus on staff being a priority and the professional management team – set up for growth and the operating procedures eg. CRM ('better than vodafone')
- 'we have driven a lot of process and procedure down their throats, … forced them basically to record their activities,…..' – leading to standardisation.

Structure

- Jogging groups, sports and charity events
- Local Sponsorship
- Promote from within
- 'we are all growing up together' – MD
- People feel part of the big plan and narrative suggests they are lucky to be one of lucky ones to be in at the start – people strategy day

Sense of community

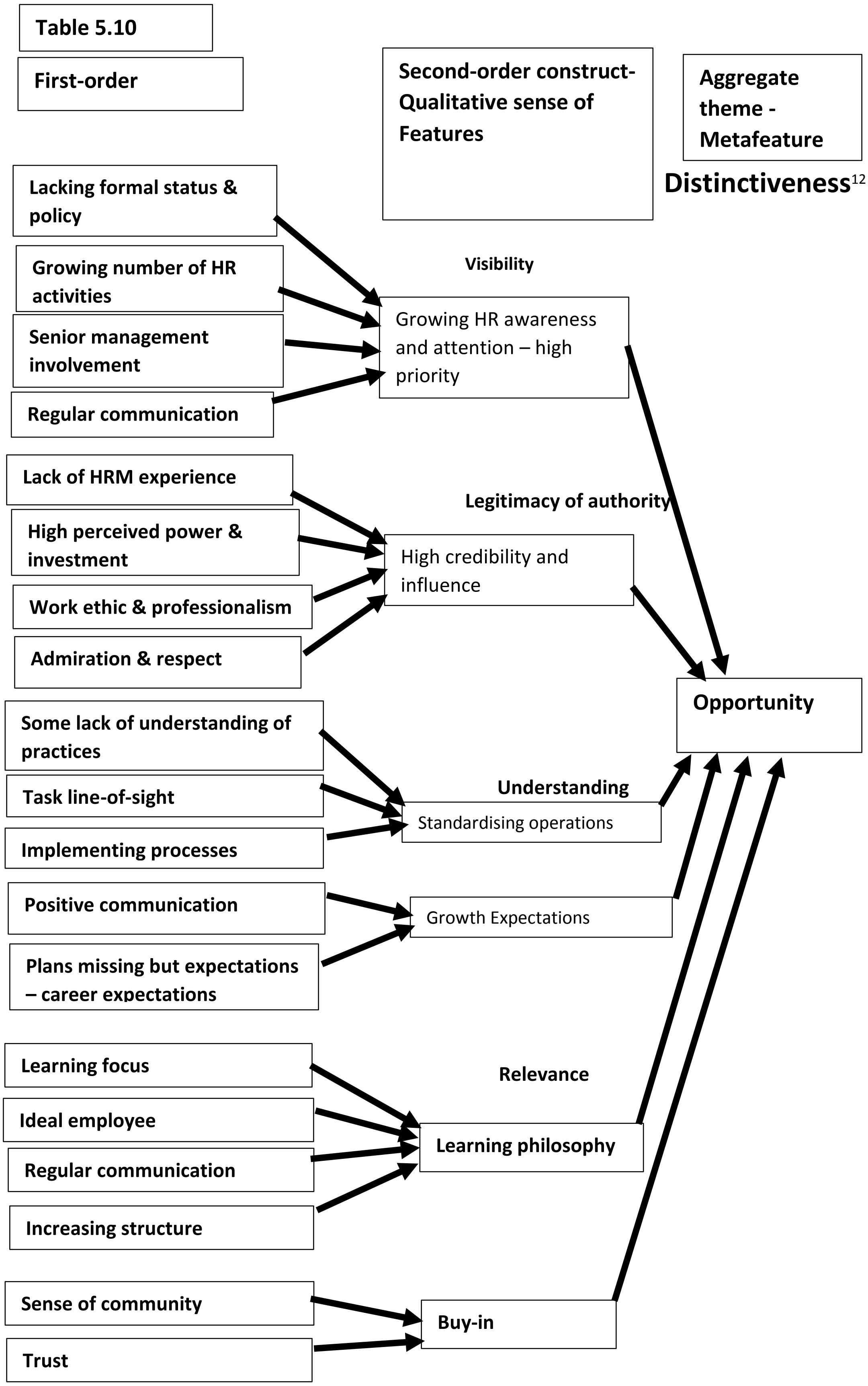
- Their door is always open and if you have an issue they will usually meet you after work
- Incentives provided for Sales and Praise and recognition for Ops and FA – management interpretation
- I'm sure if I decided if I had a better way of doing it or preferred to do it a different way, as long as the end result is the same, like, there wouldn't be a problem'.
- Regular contact – management aware, individual relationships – 'know how I feel'.
- 'They will listen to you, and even if they can't deliver, you feel heard'.
- 'They do care, they really do'.
- 'Happy to go to work' – positive banter and craic
- Management happy to discuss both personal and work issues
- They have a plan, I'm sure of it and I trust them'

Trust

[11] Relevance is summarised and grouped primarily from the 173 entries in NVivo. The key descriptors are: 'individuals see the situation as relevant to an important goal', 'motivational significance', 'individual and organisational goals', 'willing to work towards goals', 'perceived power of influencing agent', 'when people are more outcome dependent, particularly when the outcomes are relevant, they direct more active attention to the person or source'.

In summary, at a higher-order level, there are sufficient distinct features that provide the medium through which the required message is delivered, staff is able to articulate the high quality strategy. A strong brand with growth prospects that believes in enhancing staff capabilities and career opportunities is sufficient to build a strong affection for the brand and senior management team. This is enabled by recruiting 'enthusiastic', 'passionate' staff who wish to grow and prosper. In return, they are given 'opportunity' and 'good jobs' for the locality. The organisation has, initially at least, adopted something of a commitment based HR configuration, with autonomy, challenging work, collaboration, team-work, intrinsic satisfaction, broad development and inclusion at the heart of their philosophy (Monks et al., 2013).

Table 5.10 below summarises the key distinctiveness findings for CloudCo



[12] Distinctiveness; definitions: Visibility, legitimacy of authority, understanding and relevance increase 'the probability that the HRM message will be encoded and interpreted uniformly among employees' (Bowen and Ostroff, 2004). Summary: highly credible and authentic management (leadership team) draw attention to the opportunities that await ambitious employees who deliver.

5.5.2 Consistency

The previous features of visibility, understanding, legitimacy of authority and relevance draw attention to the HR message and increase the likelihood that it will be interpreted uniformly. However, for employees to continue to respond uniformly, there must be consistency over time, among people and in different contexts. Bowen and Ostroff suggest that "shared meanings cannot be developed unless most or all employees are subjected to and can perceive the same practices" (2004, p. 208/9). To avoid double-bind communications, there must be consistency between "what senior managers say are the organisation's goals and values and what employees actually conclude those goals and values are based on the HRM practices" (Bowen and Ostroff, 2004, p. 211). In this case, management's espoused values are of consistent treatment of staff as they are the organisations most important assets. The findings and analysis consider how consistently the message of high quality is conveyed over time, and across the functional areas. This section analyses if the features of consistency impact the delivery of the intended message and how they affect employee attributes of motivation and commitment.

5.5.2.1 Validity and Instrumentality.

Reflecting a high quality organisational strategy, management's HR intentions are to build a highly committed and motivated workforce. Based on Bowen and Ostroff's framework (2004), consistency between management's intentions and the HR system are likely to be increased where features of validity, instrumentality and consistent HRM messages are present. The researcher presents the findings and analysis of both the features of validity and instrumentality together, given the extent of the overlap and to avoid repetition. Practices are perceived as valid if they achieve what they propose to do. Practices are instrumental if they direct employees' behaviour as intended. In examining the validity and instrumentality of the HRM system, the analysis considers the HR practices.

For recruiting, they favour a word of mouth approach, with a minimum of 2-3 interviews, a psychometric test and the 'pint' test ensure that the person over the skills is prioritised. This proves valid given that emphasis is placed on personality and choosing staff that fit in with the 'banter'. It is not by chance that the senior managers choose energetic, enthusiastic and ambitious employees, it is grounded on the consideration that they believe they can learn on the job. Consistency over time in recruitment and selection is achieved by the continued involvement and lead role played by the MD and involvement of the management team.

Management believe that staff perform highly and attribute this to their hard work and commitment. There are contrasting views as to the validity of the performance measured. Traditionally, performance assessment and review was an informal activity, where employees gained feedback through ongoing discussions on work activities, although less formal and at irregular intervals, it was timely. However, as with most HR activities, there has been a move to formalise performance assessment in the weeks leading up to the research, with the introduction of performance reviews. In parallel with the introduction of the CRM system, it is expected that this increase in formality will further enable the validity and instrumentality of the HR practices, from a management perspective at least. The CRM system captures the activities of all three functional areas of SD (the number of calls, appointments, sales, etc.), Ops (a ticketing system for problem solving) and FA (invoices issued and credit control days). Not only will these activities provide clarity and direction for employees, it also gives them targets and justifiable rewards.

The management team believe that usage of the CRM system will lead to increased validity and will add value going forward. This message has been understood by some when explaining the system and benefits, one SD employee summarises its value; '*So everything you do, like, if you're doing up a quote or you're doing whatever you do within ConnectWise, it then shows up as an activity. …… But it's a way of … This is where it's a way of steering sales people into a particular way of behaving, so it's behavioural kind of management, I suppose. And then we always have on a Monday morning, which we had earlier, our sales meeting. We'd have it with X and X (senior managers), and that reviews the previous week. So it's all very structured. That's what I like about the structure, that it's good, and it means as well then you're kind of, you know, that you're not on your own, you're kind of … Because you could, if you were left totally to your own devices, you could start drifting unless you have a very strong constitution to kind of keep focused, like, you know…… What the ConnectWise does from a sales perspective anyway, it does give them the good habits'*

(CloudSalesEM). This is an excellent example of how management wish to align the staff's behaviour to their strategic intentions.

While broadly welcomed, many staff feel that there is an over-emphasis on measuring activities entered into the CRM system. Some staff feel they lack training in the system and not all activities are captured, '*If it's not in ConnectWise, it didn't happen'* (CloudOPsEM), reflecting a numbers based assessment only. This is further supported with the weekly meetings and the '*sales leader board which is a points system for all the sales team'* (CloudSaleEM). This suggests a valid measurement for those in sales, but others complain (Ops) that the CRM system doesn't capture the complexity of their work tasks and doesn't allow for time spent on collaborations and design of solutions.
While there is not widespread support for the CRM system to date, management believe it is necessary to support the growth strategy.

Training is probably the most controversial practice with large scale discontent. While the approaches are more formalised with the sales team through opportunities for work shadowing, generally there is a lack of structure and planning. There is a more ad hoc and reactive than proactive approach. There is extensive evidence that staff feel they are thrown in the deep end and it is either 'sink or swim'. Senior management acknowledge that there is more structure required, and unless, you '*train the teams'*, you will not '*be able to widen the team while still maintaining that level of service. That's core to what' they are 'trying' to do* (CloudOPsSM). Senior management believe that they have made '*progress on it, but it's not at a level where I would think is appropriate'* (CloudSaleSM and MD).

A lack of structure around training implies a lack of valid training which employee responses would suggest is the case. The CRM system is viewed as a tool for achieving consistency, but this is only effective if staff know how to use it. Recent recruits are impressed by the overview of the organisation provided in the induction, and the social approach adopted, however, they feel '*'Induction, like, there was, more so you went in and you picked it up kind of as you went along rather than any formalised training around it'* (CloudSaleEM). To cause further discontent, the targets set for training and exams are seen as unrealistic, '*That's doable if you take the year off with pay and do it'* (CloudOPsEM). In summary, learning the systems may be described as '*figure it out yourself'* (CloudOPsEM). Most worryingly, is the lack of alignment between staff training and the organisational strategies or lack of strategies, depicted in the following comment: '*So basically, like, I had a discussion with the guys on my last review that there is no clear vision of what this company is intending to do, so basically any training that I take is basically what I believe I could enjoy to do or maybe what I believe or could be useful in the future, but there is no clear vision'* (CloudOpsMM). This evidently raises questions as to the validity and value of training received.

Rewards in particular direct attention to employees' priorities, such as the sales team and their targets. However, the rewards structure adopted for the Ops and FA teams is proving less influential as the only incentive at present is a bonus for passing exams. This is on top of the feelings that they are under resourced and overworked. There is a strong sense that the financial rewards are not sufficient in the Ops team, and this may be why they are struggling to recruit. If targets are unattainable, they are not relevant, valid or instrumental in directing employees' behaviour, this can lead to frustration and needs to be reviewed in some sections, as depicted by one sales person, '*I kind of feel a bit demoralised because I feel that it's not really, you know, I feel, well, it's kind of looked on as being shit really'* (CloudSaleEM). It's not clear for all, particularly the Ops team of what's required of them, it '*is difficult for us because we're still trying to understand what those KPI's are in order to structure something and I do think it's something that we have to look at as in how we structure the package for people outside of sales to make, to align their work with the goals of the company as well'* (CloudOPsMM). There is an issue emerging with the introduction of a middle layer of management (CloudOPsMM) in the Ops team. This layer of staff feel they have the responsibilities, but not the benefits, of their position with a lack of a willingness to formalise it by senior management.

From an intrinsic rewards perspective, the management team use praise and recognition as an instrumental influence on employee behaviour. The organisation uses a cloud-based blogger page (yammer) and emails to convey good wishes and congratulations for success in exams and successful client activities. Further praise and recognition could prove influential, '*if you give someone 1,000 euro, right, it's gone. Three months later, they probably won't remember that 1,000 euro, if you know what I mean, like, and then whereas if you have that positive, you know, thing towards that person, they would remember it better, you know what I mean, like, and probably respond to it more, like* ' (CloudFAEM). The CFO suggested that this is intentional across the organisation as management believe that sales respond to money, it makes them tick, whereas both the Ops and FA team respond to praise and recognition. This is particularly evident with the middle management layer in the operations team, '*I don't think so that management know that money are not everything'* (CloudOPsMM).

Management's closely aligned views and actions are instrumental in directing behaviour. Management are strong in their convictions and this proves significant in terms of keeping staff on their toes with respect to job security, *'it's interesting, like, we put a list back in December of the four or five weakest people in the organisation together and, with the intention of either managing them out of the business or developing them into what we needed them to be, and like, actually having that list put together focused the team on what we were doing with the individuals, like, you know, and they're all gone now'* (CloudFASM). For summary table of Validity, see table 5.5 below, followed by a summary table of Instrumentality (Table 5.6)

Table 5.5

Validity[13]

Key findings

First-order construct - validity

- Training is done in your own time – sink or swim- unplanned and unstructured for Ops and FA, more structure for Sales – expert hired and MD's background
- 'any training that I take is basically what I believe I could enjoy to do'
- Performance appraisals introduced but seen as a chat and not linked to development plans
- When you come in, It's either sink or swim. You need to be willing to take initiative, learning by doing – there is no such thing as a mistake
- Ad-hoc and reactive with the exception of Sales
- Work shadowing was the preferred approach
- Lack of structure and planned training outside of sales
- Training – you picked it up as you went along rather than any formalised training around it'. 'figure it out yourself', 'thrown in deep end'
- 'But there is no clear vision'. – training – 'any training that I take is basically what I believe I could enjoy to do'
- Performance reviews seen as a chat
- Formal induction – presentation about the organisation – history and growth plans. Inductions welcomed.
- Performance appraisals seen as a 'chat'.

→ **Partial validity**

- Introduction of CRM, Yammer, PAs, staff events and regularity of meetings
- CRM: Connectwise; 'If it's not in Connectwise, it doesn't matter', all activities are recorded. 'what we're trying to achieve is that by demonstrating to them if they apply a process, and in an organised fashion, that they will achieve the output that they want'. 'It's a behavioural kind of management'.
- Bi-weekly training for the sales team from expert and more structure
- Recording activities: Sales – No. of calls, appointments, sales ; Ops – ticketing system for problems; FA (invoices issued and credit controls days) – provides targets – direction and clarity
- Weekly meetings are all very structured – there is no chance of 'drifting' – it gives them 'good habits'
- Work design becoming standardised. Standardising activities – standard operating procedures through CRM
- On the job training – work shadowing, common practice.

→ **Growing**

- 'There is a reason why it's working is because they are the type of person that is hired. If you don't fit in, you will not get on and learn'. Employees are expected to join in the banter and craic.
- 'In some ways, I think I was hired to create the craic'. Work shadowing is the preferred approach across all groups
- Ideal employee question: Strong agreement that recruits should be highly motivated, enthusiastic and ambitious with a good person fit: 'banter' and 'pint test'
- 2 to 3 rounds with senior management involvement and MD enable a good assessment of person fit
- Pass the pint test – word of mouth and referrals promoted
- 'The whole recruitment process was very professional'

→ **Person-organisation**

- Poor performers are worked out – 'we made a list of those we wanted to get rid of, and they are all gone now'.
- Employment contract and H & S outsourced

→ **Accountability**

[13] Validity is summarised and grouped primarily from the 179 entries in NVivo. The key descriptors are: 'what they purport to do and what they actually do' and 'signalling to employees what KSAs are valued'

Table 5.6

Instrumentality[14]

Key findings

First-order construct

- ‘We have driven a lot of process and procedure down their throats, … forced them basically to record their activities,…..’ – leading to standardisation.
- Increase in formalised methods. Without CRM – ‘you will not be able to widen the team while still maintaining that level of service, that’s core to what they are trying to do’. Get it right before growing.
- ‘it’s like a better system than Vodafone’.
- All activities are recorded – standardisation

Developing processes

- Lingerie is hung out to dry in front of everybody.
- ‘Non-performers – they’re all gone now ’ – ‘list of 4 or 5 of the weakest people’ .. ‘managed them out’
- No micro management – given tasks and its up to them to get on with it; autonomy, collaboration, and teamwork promoted. CRM has led to increased standardisation and SOPs

Accountable

- Some consultation on targets
- Performance targets discussed with staff

Some consultation

- Recruiting enthusiastic and driven employees who are willing to take initiative
- Similar traits identified for those recruited and those who get on and do well – enthusiastic etc.
- Poor performance – ‘if you weren’t willing to get on and try things, take your own initiative, you wouldn’t survive here’.
- MD showed up at sporting and social events in hope of recruiting people

Enthusiasm

- Every opportunity for praise and recognition is used – yammer and management acknowledge personally achievements of staff
- Humour seen as important – in charge of banter – if not involved won’t last – if you don’t ask questions you won’t learn.
- Yammer (staff blog) used for praise and recognition for client and exam success.

Positive relations

- Promotion from within – ‘sold a dream’, The positive working relations and banter (and opportunity for personal and organisational growth) is compensating for a lack of equity in extrinsic rewards and training opportunities – in at the ‘start of something big’
- No such thing as a mistake
- Selling a dream – ‘sold a dream’, lucky to be in at the start.
- Promote from within
- Employee of the year award – strong support for the one that learned the most – relevance
- The target is 100 staff in 3 years
- Although growth plans are conveyed regularly (people strategy day) – lack of clarity on how to achieve, no clearly defined plans

Opportunity –

[14] Instrumentality has been summarised and grouped primarily from the 142 entries in NVivo. The key descriptors are: ‘desired content focused behaviours’, ‘adequate incentives’, ‘likely consequences of behaviour’.

5.5.2.2 Consistency of HRM Message

In line with traditional HRM approaches, this section thus analyses how effectively the HR practices are aligned vertically, horizontally and over time with a high quality strategy. In reviewing these practices, the analysis includes an assessment of 'fit'; how aligned are these practices with achieving a highly motivated and committed workforce. Following Samnani and Singh (2013), "simultaneously describing each of the HR practices within the function and whether these practices are aligned (1) with the key business goal by eliciting important workforce attributes and (2) with one another" (p. 132). For CloudCo, the significance of motivation and commitment is heightened, given that a lack of motivation and commitment can result in poorer services provided to customers (Samnani and Singh, 2013).

Without a formal HR strategy in place, it is acknowledged that although they believe they are doing a reasonable job of managing employees, they have suggested that the HR practices require some work, and if they are aligned, '*it's an unconscious thought rather than a conscious decision to align them'* (CloudFASM).

The analysis now considers each of the HR practices and highlights the most significant relationships. For a further analysis of the relationships and consistencies, please see a summary table of the practices and their alignment in Appendix 5.2.

5.5.2.2.1 Recruitment

Overall, the recruitment of highly ambitious and motivated staff is consistent and aligned with the pursuit of a high quality strategy. Recruiting highly ambitious and motivated staff is likely to lead to a greater commitment to high levels of customer service, where they are '*responsive*' and demonstrate a '*genuine caring'* for the client (CloudOPsEM), both characteristics of high quality.

The number of stages applied in the selection process ensures a high level of consistency is achieved, controlled primarily by the MD. The one inconsistency that has caused issues, and led to recruits leaving, is an oversell approach in the recruitment phase. The organisation frequently does not live up to the expectations, *'so basically my perception was that we work on, that the company works on much more advanced projects or technology than it actually in fact was, so it was like almost like a false perception of the company being big'* (CloudOPsMM). Some new recruits expect the system to be more formalised and the client list has been overstated, '*the company was presented bigger and much more experienced than in fact it was, and the person the person left after a few weeks of working'* (CloudOPsMM). This has proven to be a difficulty for the Ops team who are understaffed.

5.5.2.2.2 Training

There is an inconsistency and lack of internal fit/horizontal alignment (HA) between recruiting highly motivated and ambitious staff with a lack of development opportunities. It could be suggested that they have adopted a best practice 'selective hiring and intensive selection' approach, however, this doesn't align with their lack of 'extensive training, learning and development' opportunities necessary for a high commitment strategy (Pfeffer, 1998). Although, in some cases 'selective hiring and intensive selection' (Pfeffer, 1998) may compensate for a lack of training, in this case, CloudCo prioritises the 'person' over the 'skills' and experience when recruiting, thus compounding the need for a structured approach to training. On the contrary, in many cases, staff are thrown in at the deep end and its either 'sink or swim'. In terms of achieving key business goals, reliance on learning on the job by trial and error and a lack of structured training and development, will likely reduce motivation and commitment and in turn the quality of products and customer service.
While sales training is somewhat structured, most others feel training is unstructured, unplanned and reactive to partnerships requirements. One can only comment on the actual practices, however, evidence does suggest that the organisation is trying to implement more structure that will support training needs. Firstly, the recent introduction of weekly meetings enables an 'open forum' for asking questions and the performance reviews will enable the organisation to establish a training plan for staff based on both parties' aspirations.

5.5.2.2.3 Performance and Rewards

Traditionally, the approach to performance review has been associated with appraising if staff are motivated and committed, by having a chat to see how they are getting on. With regular and close contact, management are aware if there are issues and these are discussed in order to maintain motivation. However, until performance reviews assess key customer service and satisfaction indicators such as response time, recovery time and returning clients, they are likely to be less effective in achieving alignment with a high quality strategy. From a horizontal alignment perspective (McClean and Collins, 2011), performance assessment and reviews are inconsistent with the levels of attention and time spent on recruiting highly ambitious staff. Although these staff are somewhat aware of their performance levels based on the CRM system outcomes, they are not aligned with any training and development plans. For SD, performance relates to pay, however, for the Ops and FA teams, performance is not incentivised.

The management team has a view that sales staff respond to more money, hence the incentive based pay, whereas, the Ops and FA team respond to praise and recognition and as such have adopted a structure that supports these views. Nevertheless, because of strong views from the Ops function, in particular, the management team plan on rolling out a standardised form of incentive across the organisation. In support of a high quality strategy, management *'would like to bring in incentives for people around service levels, customer retention and utilisation'* (CloudFASM).

5.5.2.2.4 Employee involvement/communication

One of the key factors that has remained throughout the growth of the company is the commitment to building a strong employment relationship, epitomised by the open door policy and approachability of the management team; no matter how busy, they will find time to meet staff and discuss any issues. Even unhappy staff, acknowledge this accessibility to management and the good working environment, '*you're listened to and you know, your feelings are taken on board and it's not just lip-service'* (CloudSaleEM). These high quality relationships support the growth plans and are further supported by an internal promotion policy: *'Within the technical team, we're really looking for people who have that drive because we want them to advance …. so that we are growing our team from scratch as opposed to bringing in people at the top'* (CloudOPsSM). The strong employment relationship and open-door policy supports a learning culture…… '*Like, I think the culture literally with the guys that I'm working with, the technical team would be quite good and that is helping us to retain people, you know'* (CloudOPsSM)). It is fair to say that the management team use this to compensate for a perceived lack of extrinsic rewards.

In order to assess consistency and fit within and across HR practices, the researcher follows the work of Samnani and Singh (2013) by presenting the findings using a fit matrices, see appendix 5.2. This allows an assessment of the greatest consistencies and inconsistencies. In a practical sense, it provides organisations with clarity on where improvements can be made.

5.5.2.3 Challenges to Consistency

There are mixed views on whether management follow through on their promises, and there is a sense of inconsistency emerging between actions and words. Staff do not necessarily '*feel like anything is ignored',* however, while they might listen, sometimes management struggle with following through on career plans for staff. The graduate team, in particular, feel that the goalposts are constantly moving and it proves frustrating. However, in many cases, the lack of action can be attributed to the lack of resources available to an organisation of this size. As an example, the graduate team believe their development plans are contingent on where staff shortages exist. A more reactive approach is also a function of the purchase of TeleCo as explored previously.

There is a strong view from the interviews that the organisation is pursuing a high quality strategy, however, there is a danger that this may be undermined by a lack of resources in recent times due to constraints imposed by inherited service level agreements. There is evidence and views emerging from the Ops team that it is more about survival, and getting in money at any cost is the priority, 'we *will do whatever we can to, do you know, we will compromise on the products that we put in there ……the company has good intention, it really does……………………… so you can feel from them that they believe in what's happening but there's a breakdown between the management team and then what's going on in the technical team, and like, we just seem to be, we are way understaffed on the technical team'* (CloudOPsEM). This pressure is threatening the high quality strategy, but staff hope it is short lived, however, the ongoing inability to recruit tech staff is of serious concern to the Ops team. There is a risk that the strategy may be reduced to, '*The one who brings in the most money'* (CloudFAEM). For a summary table, see Table 5.7 below.

Table 5.7

Consistency of HRM message[15]

Key findings

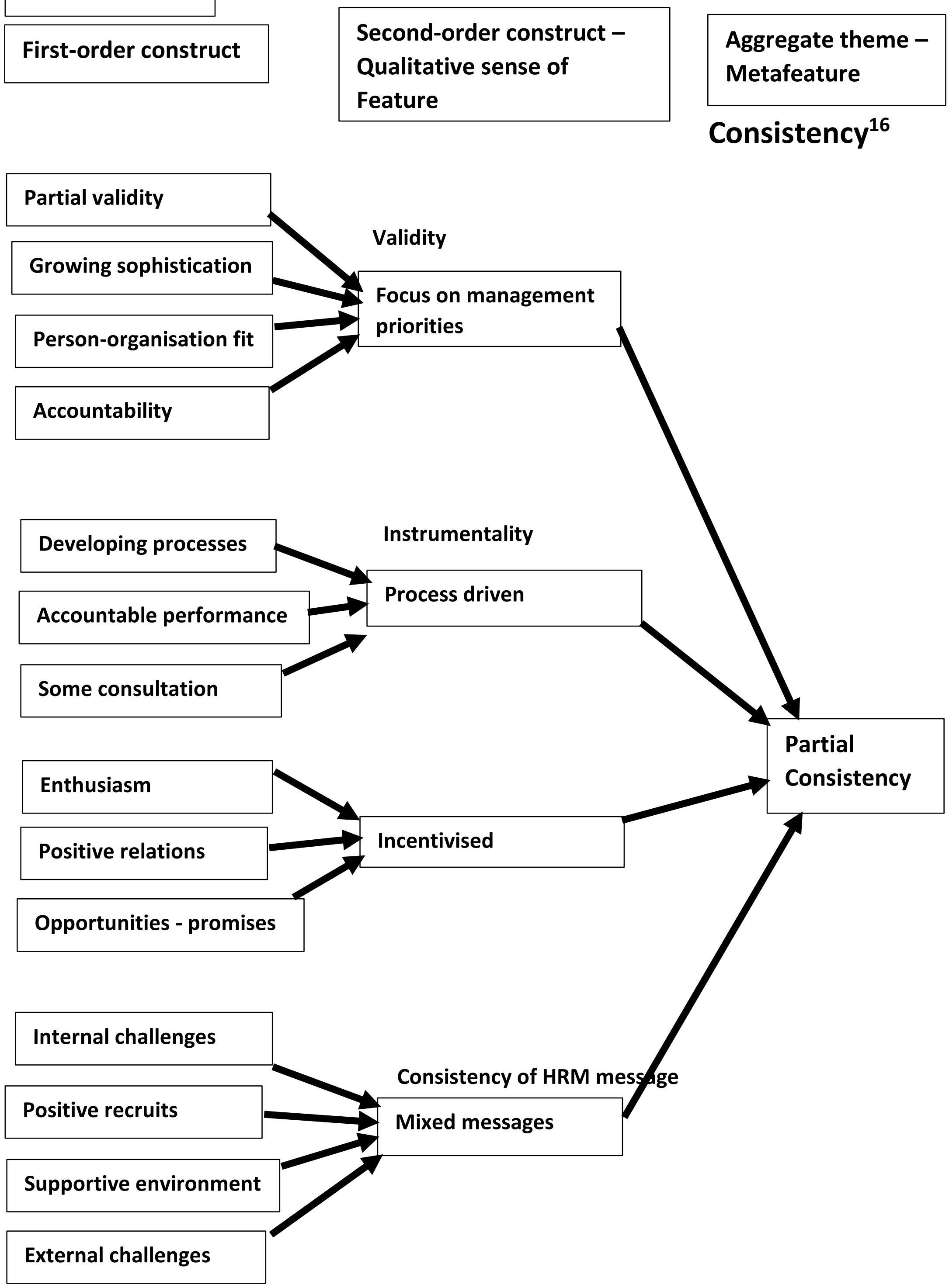
Key findings	First-order construct
- Lack of internal consistency HA – Lack of alignment between extensive search and selection yet unplanned training. - Partial Alignment Vertical and Horizontal Alignment - See tables VA and HA – Appendices - Management believe it is working well - 'it is an unconscious thought rather than a conscious decision to align them'. - ' false perception of the company being big' – rose tinted view - 'the company was presented bigger and much more experienced than in fact it was'. - Training prioritised for Sales. Person is chosen over the skills – emphasising the need for training - Performance reviews seen as a chat - Some autonomy being eroded by standardisation practices – but willing to hear new ideas. - Poor internal fit – concentration on less financially demanding practices – strong focus on hiring enthusiastic people, giving them learning opportunities and a positive working environment - Action taken for underperformance – credibility enhanced - Overall, the message and intention is perceived well. Consensus of senior managers is important	**Internal challenges**
- 'we're really looking for people who have that drive because we want them to advance … so that we are growing our team from scratch as opposed to bringing in people at the top' - If you can't join in the banter and craic, there is a reason why it is working – it's the type of person they hire - banter and craic - In some ways I think I was hired to create the craic. There is a reason why it's working is because they are the type of person that are hired. If you don't fit in, you will not get on and learn. Work shadowing was the preferred approach across all groups - The MD interviews everyone at some stage of the process - Social banter and craic are big parts of it – you might be under pressure, but you don't mind coming in to work - Targeted and intensive selection, referrals and word of mouth used - Strong views that it is about getting good people in	**Positive recruits**
- Positive relations - 'responsive', 'genuine caring' for the client. - 'open forum' for asking questions. - 'you're listened to and you know, your feelings are taken on board and it's not just lip-service'. - 'the culture literally with the guys that I'm working with, the technical team would be quite good and that is helping us to retain people, you know' (BM) - 'they believe in what's happening' …. - You are let try things for sure – encouraged to – provided you are getting you work done. They are happy to hear new ways of doing things - Trust, loyalty – 'they do care' - Even if there is pressure, still 'happy to go to work' - Aligned management views and conveyed to staff - Promotion of learning philosophy aligned with high quality strategy - Regular communication – on site regularly	**Supportive environment**
- 'Getting in money at all costs' is the priority which potentially undermines the HQ strategy - High quality strategy – undermined in short term by financial pressures from acquisition and legacy contracts - They 'would like to bring in incentives for people around service levels, customer retention and utilisation', which would improve vertical alignment through process	**External Challenges**

[15] Consistency of HRM message has been summarised and grouped from the 172 entries in NVivo. The key descriptors are: 'compatibility and stability in the signals', 'stability over time', 'espoused values and inferred values', 'practices that complement one another and fit together', 'across modalities and time'

In summary, the promotion of a learning philosophy is consistent with a high quality strategy, however, in the short term, consistency is being undermined by financial pressures. There is a lack of internal consistency between intensive and targeted selection, selection and lack of structured career planning, training and development offered. There is some favouritism shown to sales but it is justified by management as a short term priority, thus how it is communicated is important, and proximity allows management to gauge the response from employees. The increase in formality (introduction of CRM Connectwise) enables increased standardisation and efficiency but lowers customary autonomy. Senior management take action for underperformance which enhances their credibility.

Table 5.11 below summarises the key consistency findings in CloudCo

Table 5.11



[16] Consistency; definition and key descriptors: ‘a consistent pattern of instrumentalities across HRM practices, time, employees that link specific events, and effects further enhance the likelihood that desired specific behaviours will be displayed’ (Bowen and Ostroff, 2004). Summary: strong consistency between those recruited, hard-work, self-driven, internal promotion and learning philosophy. Increasing investment in standardisation promotes consistency. However, short term financial pressures undermine a high quality strategy from resourcing challenges.

5.5.3 Consensus:

Consensus results when there is agreement among employees as to what is expected of them based on their interpretation of the HRM system. If there is consensus, it is likely that there will be more accurate attributions about what behaviours and responses are expected. Consensus is likely to be strong where there is agreement among principal HR decision makers and the system is perceived to be fair. As noted by Bowen and Ostroff (2004) "When individuals throughout the organisation experience consistency in HRM practices, consensus is more likely to be fostered. At the same time, when message senders cannot agree among themselves on the intended message, consistency is likely to be hampered" (p. 212). Consistency and consensus are distinct but interrelated concepts. In essence, they have reciprocal positive influences on system strength, they reinforce each other. The objective of consensus is that "agreement among top decision makers can help foster greater consensus among employees, since it allows for more visible, relevant, and consistent messages to be conveyed to employees." (Bowen and Ostroff, 2004, p.212). Consensus is achieved by having agreement between HR decision makers and perceived fairness.

5.5.3.1 Agreement among Principal HR Decision Makers

"Agreement among these message senders helps promote consensus among employees" (Bowen and Ostroff, 2004, p. 212).

One of the most significant features of the organisation is the closely aligned views of the senior management team, supported by proximity and small firm size. It is not surprising that agreement among management on the intended message is likely to be high given the low number of layers of management and the close working relationships between management, but such consensus cannot be assumed. All senior management agree on people being a valuable asset and pride themselves on building strong employment relationships (distinct feature) where management is always accessible and approachable. Management agree on the importance of recruiting the right people (highly driven), providing them with challenging work (steep learning curve) and building strong working relationships. In recruitment, they agree on recruiting the person and not the skills; skills can be picked up. Where multiple decision makers agree on the message, it is likely to increase visibility and thus distinctiveness. This again increases the likelihood that employees know what's expected of them and of the practice should the organisation grow. In line with this, CloudCo has introduced an employee referral system for new recruits, in the knowledge of the importance of person organisation fit; an enthusiastic person who will join in the 'banter'.

The close working relationships of senior management is enabled by their regular after hours chats, reflecting that "..integration and close interactions among HRM professionals, managers, and top managers foster the exchange of tacit knowledge for the formulation and implementation of an organisational strategy and HRM system" (Bowen and Ostroff, 2004, p 212). While the visibility and regularity of these chats is more confined to three (MD – Senior Manager over Sales; COO – Senior Manager for Ops; and CFO – Senior Manager for FA) of the top five senior managers, nevertheless, these three take most responsibility for managing staff. They have strong views on maintaining a consensus. And as an example, the MD may suggest hiring someone because they are a '*good person'* even though the other 'lads' say '*there is no position for them'*, however (CloudCoOPsSM), once the decision is made, they convey the same message:

'*so from a management team and discussions, we could have quite different views but I do think when we come out of that, we go out with a single decision, like'* (CloudFASM)

A recent lesson came from a new addition to the senior management team that is causing some tension, and it appears that the team went away from their traditional selection process and selected based on different criteria; prioritising the client list and contacts the new recruit brought over their personality and the 'pint' test. This new senior manager also admitted feeling on the '*periphery*'.

There is a strong sense that senior management '*generally they are on the same hymn sheet'* (CloudSaleEM) and '*I don't think anyone can do a solo run, do you know, and maybe that's more to do with the people, the people that have been brought into an organisation have been kind of chosen because of their like-minded approach to things maybe in a sense. So I don't think they would go on a solo run to the detriment of, you know, the management team'* (CloudSaleMM). Senior management encourage and welcome an open and frank discussion, with their *'no bullshit policy'*, however, they come to a consensus and a '*single decision'*. Evidence suggests that they have the conviction to work the '*weakest people'* out of the business or else develop them into what is needed (CloudFASM). For summary table, see Table 5.8 below

Table 5.8

Agreement amongst HR Decision Makers[17]

Key findings

First-order constructs

- Employee of the year award – strong support for the one that learned the most, the one who shows initiative
- 'no bullshit policy', 'single decision', 'weakest people' worked out or gone
- One message – closely aligned views and agreed
- 'generally they are on the same hymn sheet'
- 'so from a management team and discussions, we could have quite different views but I do think when we come out of that, we go out with a single decision', 'I don't think anyone can do a solo run'
- While Sales staff are prioritised, this is justified as short term to cope with financial challenges. Promises for organisation wide incentive scheme shows a response.
- Centralised decisions – regular after hours meetings
- Must agree on new recruits – must pass the pint test
- Recruit the person and not the skills
- Promote/support the banter and craic – positive environment
- Person-organisation fit also applies to recruiting management also

Agreed views

- Similar and agreed management styles – where a new addition to senior management doesn't conform, it leads to tension.
- Available, open and approachable
- 'Their door is always open and if you have an issue they will usually meet you after work'
- If you have an issue, you can go to your manager, but if it's about wages, it's likely the MD would be involved

Similar styles

Leading by example

- Strategic issues and final decisions go to MD
- Lead by work ethic and professionalism
- Available and recognises success – takes 'every opportunity for praise and recognition'.
- Community driven – jobs for the locality

Regular communication

- Regular meetings – seen working late into the evenings – happy to meet you after hours
- Regular top management meetings of three senior managers (including MD)
- Open door policy and daily onsite availability
- Do you think they know how you feel – would they be surprised? Generally, management aware of how employees feel.
- Management have promised an organisation wide incentive scheme – aware of issues and responding – proximity enables awareness of issues
- People strategy day and regular social events
- Banter and craic is promoted, also reflected in the pint test.

[17] Agreement amongst HRM decision makers is summarised from the 122 entries in NVivo. The key descriptors are: 'agreement among these message senders helps promote consensus among employees', agreement promotes distinctiveness 'more visible, relevant and consistent messages' 'integration among HRM professionals, managers and top managers foster', 'disagreement among decision makers is likely to produce poor consistency'

5.5.3.2 Fairness

"Research indicates that the perceived fairness of HRM affects how positively HRM activity is viewed and the capability of the HRM system to influence employee attitudes and behaviours" (Bowen and Ostroff, 2004, p. 212). From the framework and in this case, fairness is assessed based on three dimensions of justice: distributive, procedural and interactional.

5.5.3.2.1 Distributive Justice

Distributive justice is achieved if employees feel rewards are distributed fairly. And, although financial rewards are slightly below market value, they reflect the region and rewards in general are perceived as distributed fairly, and are '*ok in terms of the local salaries'* (CloudOPsMM). However, where most discontent lies is within the organisation, where both the Ops and FA team feel they are not '*recognised for a lot'*, and are not treated as fairly as the sales team in terms of incentive based pay. This lack of perceived fairness may be exaggerated by the shortage of staff for the increasing workload within Ops. However, at a personal level, they are '*still treated the same'* (CloudFAEM). Some staff are realistic in their views and believe fairness should be judged based on the relative importance of staff, '*On how people are treated? I would say that it depends on the individual'* (CloudSaleSM2), the more important the employee the greater attention and rewards they get, as seen with one payrise in the operations team given because *'they had no choice'* (CloudOPsMM), they need this person. In a similar way, staff sense that sales are prioritised for the same reason.

Management are committed and determined to ensure that '*everyone is treated fairly'* and '*There's give and take in everything, you know, like, where you expect, you expect any of the people that are working here to work hard while they are here and we will also give them the benefit of the doubt or a bit of leeway if they require time off for whatever or to work from home on a certain day'* (CloudOPsSM). In response to a growing and persistent perception of a lack of fairness in rewards, management has agreed to implement a standardised incentive scheme (1% of sale value for new clients) across the organisation including both the OPs and FA team. A further example of fairness by management is their support of internal promotion.

As previously alluded to, there is a growing perception that sales get the most attention. And this is evident with most training resources and initiatives skewed in favour of those in sales and business development. There is a concentration on getting the sales team trained up first and the view is to follow with the other departments. This is leading to the Ops and FA teams feeling undervalued. Similarly, the treatment of the grad team has the potential to create a divide, with many including the grad team feeling they are treated favourably. As one suggests; '*Sometimes I think they're a bit fucking soft on me to be honest with you'* (CloudOPsEM). The management team is willing to accommodate this group where possible.

5.5.3.2.2 Procedural Justice

Procedural justice is achieved if employees feel the process used is fair. Generally, employee targets are 'i*mposed*' on employees by the management team, and this has caused difficulty in recent months as many targets have not been reached, causing staff to be demoralised, *'I kind of feel a bit demoralised because I feel that it's not really, you know, I feel, well, it's kind of looked on as being shit really'* (CloudSaleEM). Nevertheless, staff feel that management will respond and have become realistic in terms of targets. There is growing evidence of staff being consulted on targets and this leads to the process being perceived more fairly. In addition, the targets then become more relevant, thus strengthening the distinctiveness and being instrumental in directing the behaviours.

5.5.3.2.3 Interactional Justice

Interactional justice is achieved when employees understand the reasons for certain decisions and if they explained to them. Although management pride themselves on operating an open door policy, some frustration remains among the staff. Both the Ops and FA teams believe rewards could be distributed more fairly. In this case, the gap in perceptions between management and staff may be down to poor communication and a lack of explanations for decisions. In terms of rewards, interestingly, as suggested by the CFO; *'It appears that senior management do see employees differently, given that 'a good salesperson, money makes them tick,' whereas 'technical people and our admin people, … praise and recognition is way more important'(CloudCoOPsSM).* Nevertheless, this management view is not conveyed adequately to staff who see no justification for the difference in treatment or is not aware of management's views. However, in CloudCo, the positive working relations and atmosphere is compensating for a perceived lack of fairness in rewards and training and development opportunities.

There is a growing perception that the management team is overselling the opportunities within the organisation. From the recruitment phase, staff is led to believe that the systems and technologies are more advanced. Staff is hanging on the notion of the big plans for growth; to become 100 staff in three years (up from 32). However, at the time of the study, there is a sense of frustration emerging that it is not happening as quick as expected. There is some level of frustration from a few employees who feel overworked and stagnant (promises for growth not happening). From attending a people strategy day, it was apparent that senior management justify many of their decisions based on prioritising growth, and highlighting for staff that they are in at the start of something big. Although many instances of favourable treatment are attributed to external pressures to get money in, hence prioritising sales, nevertheless, it is a policy that suits their growth plans. For summary table, see Table 5.9 below.

Table 5.9

Fairness[18]

Key Findings

First-order construct

- Ops (Tech)and FA people respond to praise and recognition
- Good jobs for the locality - living locally is an advantage
- 'ok in terms of the local salaries', priority placed on sales and graduate programme , 'still treated the same', 'everyone is treated fairly'.
- Internal promotion – also offering a 1% incentive across the org.
- 'I try to, you know, small things, anything, any opportunity I have to praise anybody, I will take it'.
- Happy to go to work – banter and craic
- Rose tinted view of organisation – 'sold a dream '
- People strategy day and social events – close the gap between management and employees
- Every opportunity for praise and recognition is used – yammer and management acknowledge personally achievements of staff
- Even if there is pressure, still happy to go to work

→ **Sense of equity**

- If we have any issues, management would meet us after work to chat. It's great the way we can have a one-to one- they will make the time
- Targets discussed with most – process perceived more fairly if involved in setting targets
- Process of rewards – how they do it is explained – short term priority
- Some getting information second hand
- Management make themselves available to employees – 'they make the time'

→ **Relatively transparent process**

Explanatory process

- Reasons for decisions – management are aware that employees perceive injustice, however, the rationale is justified with promises in place
- Trust, loyalty - 'They do care, they really do' - building a relational contract.
- They do care about their staff – 'even though you might be under pressure, at least you always feel you are listened to, and it is a good place to work'.
- Sales get the most attention – seen as the bees' knees by some – money makes them tick. Others favouring challenge, praise and recognition.
- 'They will listen to you, and even if they can't deliver, you feel heard'.
- 'Intentions are good'
- Interactional – open, accessible and approachable
- Happy to discuss both personal and work related issues
- 'Their door is always open and if you have an issue they will usually meet you after work'

[18] Fairness is summarised from the 136 entries in NVivo. The key descriptors are: 'adhere to the principles … of distributive, procedural and interactional justice'. 'acceptability criterion'. 'equality', 'transparency', 'managers' openly and respectfully explaining … the reasons'.

5.5.3.3 Summary of Consensus

As outlined, consensus is analysed in this case based on agreement between HR decision makers and the perception of fairness. In summary, from a higher-level perspective, consensus is generally on a strong footing; management adopt similar views on how staff should be treated and managed, with an open door policy and internal promotions. The perception of fairness is an important feature of CloudCo; were one to examine individual HR practices in isolation, it would provide a distorted view of overall staff perceptions. There is a level of discontent with some practices such as rewards and training, where Sales are favoured over Ops and FA. However, the overriding perception is that staff are treated equally on a personal level and management have good intentions, hence fairness. Even where individual staff complain about their workload, they are still happy to go to work for two main reasons, the positive working environment, and the potential for personal and organisational growth. Importantly, prioritising sales in the short term is attributed to context and external pressures to get money in, but many employees see it differently.

A danger exists from an inconsistency in the treatment of groups of staff, where a more structured proactive approach is adopted for those seen as the '*bee's knees'* (the Sales team). This distinction heightens a perceived lack of fairness by these groups. The negative impact of this is compounded by the Ops and FA team's perception that management is in agreement that the SD team should be prioritised.

Building on the previous point, a division in the treatment of staff, where sales are seen as the 'bee's knees', has the potential to undermine a highly motivated and committed workforce. It is all about sales, although the graduate team has favourable terms also. Evidence suggests inconsistencies are felt by the different groups of employees with respect to rewards, training and job design. The disillusionment of the Ops team is growing, however, the management team are aware of it and are trying to introduce more formalised structures in order to respond to the perceived gaps, with the introduction of regular meetings and an organisation-wide incentive scheme. With the recent introduction of more structure (eg. team meetings), it is likely that communication will be improved, as Ops are a bit frustrated and feel, **'***There is no clear channel of communication to inform us about most of the things that are happening. Most of the things we would find out from someone that someone heard'* (CloudOPsMM). Many employees in the Ops team and FA team feel that there is an inconsistency in how they find out about things, using the building of the new offices as an example, where some found out about it in the local newspapers. *'I just think if something's going to be mentioned, that's going to be, you know, that's in the pipeline, that if it's going to be mentioned to one team, it should be told to all teams'* (CloudFAEM). Management would suggest that this is not intentional, but an oversight and down to poor practice and an example of how more structure would bring clarity and consistency to the message.

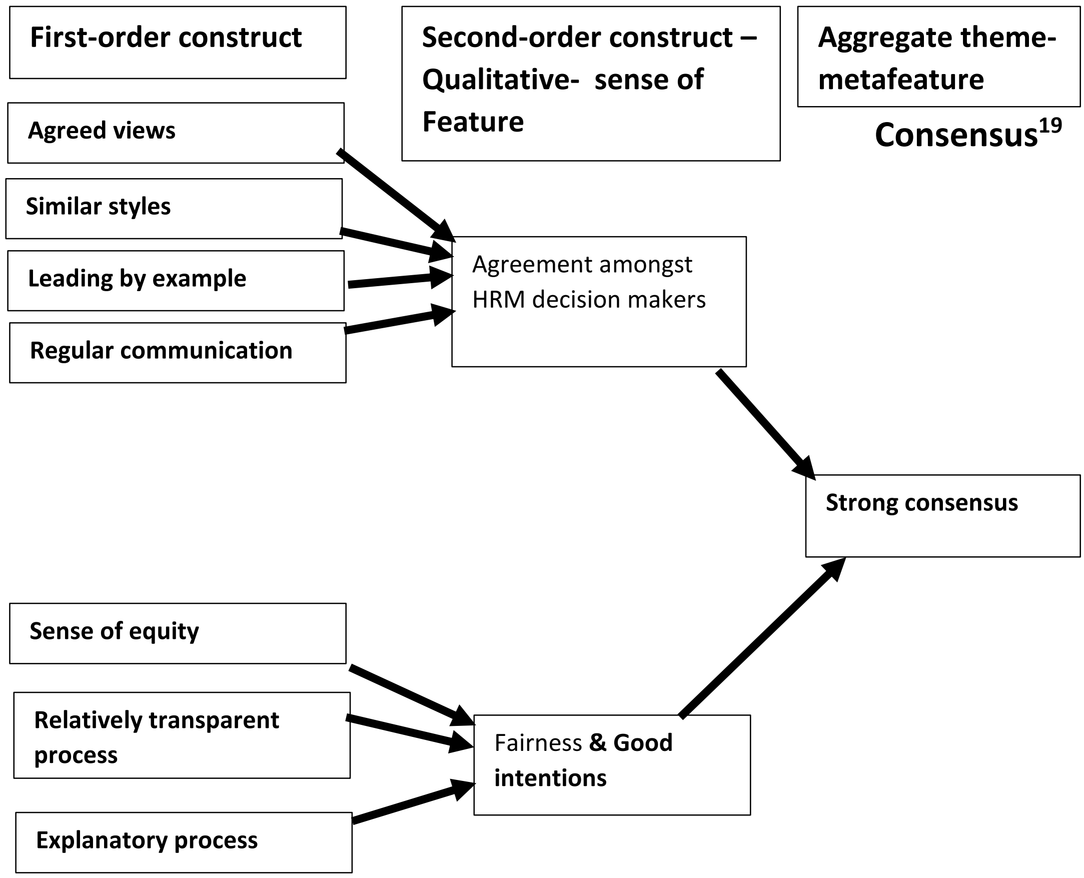
Management are in agreement that structure is important and there is an increase in monitoring and recording through the CRM system. The introduction of standard operating procedures and further understanding of the CRM technology is likely to increase consistency and consensus.

Senior management acknowledge that there is more structure required, and unless, you '*train the teams'*, you will not *'be able to widen the team while still maintaining that level of service. That's core to what' they are 'trying' to do* (CloudOPsSM).

While attending a people strategy day held by the company; it became obvious that management may be over relying on and/or overselling their '*big plans'*. In line with management's agenda, it is the researcher's view that staff are encouraged to buy into the big dream and growth plans of reaching 100 staff in three years. Staff were enthused and motivated by the thoughts of tripling the organisations size in three years, and more importantly, they are in at the '*start of something big'*. The risk here is that some staff fail to see the big plans in a tangible way and from the interviews, many staff believe that '*there is no clear vision of what this company is intending to do'* (CloudOPsMM).

Table 5.12 below summarises the key consensus findings in CloudCo

Table 5.12



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[19] **Consensus**; definition and key descriptors: 'agreement among message senders can foster consensus' and 'employees receive what they feel they deserve for their contributions' (Bowen and Ostroff, 2004). Summary: Employees know what is expected of them, embrace the learning opportunities, work hard on delivering service and in return career opportunity awaits; 'we are all growing up together' (MD). Management's perceived 'good intentions' are reinforced and enabled by proximity, aligned views and continuous on site presence.

5.6 Summary

If this case was examined from a content perspective only, it would highlight some sophistication of HR practices, but also a lack of horizontal alignment. It would also suggest that all employees experience the same HR practices based on evidence from a higher level manager. A cross-sectional content surface-based study measuring the presence of practices would miss a lot that is important in this organisation, and the changes they are undergoing, with an increase in formality. An assessment of their recruitment and selection would suggest high levels of sophistication, whereas lack of structured training and development would suggest deficiency, with the combined effect suggesting mixed signals and a lack of consistency. However, upon closer inspection, there is a rationale and justification for some inadequacies presented to employees by management. These are suggested as short term issues owing to resourcing challenges. Most importantly, because management agree on the message to be conveyed to employees, the rationale is accepted. The consensus is effective in sending signals to employees that leads to perceptions of fairness. In some ways, the positive and close working relationships, where management have good intentions compensates for content deficiencies as employees view the system as fair. Management achieve a distinct message that 'learning' is a priority, and while some of the HR practices are not consistent with this (eg. a lack of structured training) some are, such as recruiting eager employees. Also, there is consensus that employees should be given the opportunity to learn. From a content perspective, the introduction of the CRM system, performance reviews, psychometric assessments all imply high levels of sophistication, however, this doesn't mean sophisticated use of these practices and many employees are disillusioned by the introduction of the CRM system in some cases due to a lack of training and the loss of autonomy. While acknowledging the surface level HR inconsistencies, the metafeatures support the transfer of the intended message, so that employees share an understanding of what is expected and rewarded. The intensive and in-depth approach surfaces the higher level intended message, which emphasises a learning philosophy, a philosophy that is supportive of a high quality strategy.

CHAPTER SIX

Research Findings – TalentCo

6.1 Overview

Following a structure similar to CloudCo, the findings chapter begins with a broad overview of the organisation and its HRM strategies. In keeping with traditional strategic HRM research and the ‘content view’: section 6.4 examines ‘what’ HR functions and their associated practices are present, followed by an exploration of their ‘fit’ to the desired organisational strategy, in this case, high quality. Section 6.5 explores system strength and ‘how’ it impacts the effectiveness of the HR practices in delivering the desired message so that staff commit to delivering high quality products and services.

6.1.1 Description of TalentCo

This chapter reports the case study findings of TalentCo (Ltd), an award-winning small company from a medium-sized town in the South East region of Ireland. TalentCo has designed and developed an IT solution that enables a more efficient shortlisting and selection of staff. The product they have designed sits on the clients’ own IT platform with their own logos and branding maintained. This IT solution is then supported technically by TalentCo. They offer a 24/7 support structure and back up service for the software which is significant as they are heavily dependent on international and global markets. Their primary target market is multinational corporations (MNC) with in excess of 10,000 employees (MD).

The Managing Director (MD) has suggested that at the time of the research, they are the number one provider of this product and service outside of the US, and leaders in Europe. Their strategy is to provide a high quality product and service and they are ‘*definitely not*’ the cheapest in the market. They attribute a lot of their success to their support services provided by their client success team. They provide extensive training and support on how to use the system so that customers see the benefits and renew annual contracts. There is an important focus on building and maintaining relationships with clients. The client success team (CSM as part of OPs) provide ongoing support on how to use the software and this appears to be an important factor in achieving their high quality product and service. Their development team (TE) focus more on the reliability/stability and user friendliness of the software, rather than the extension of frills and added features to the product. They claim that their success with MNCs is attributable to the reliable framework and high quality IT supports.

At the time of the study, TalentCo was in its 8th year, with 36 employees. In the preceding 12 months, this figure had reached closer to 50 (cf. Admin Manager). In terms of geographical distribution, there are approximately 25 employees working from the headquarters in the medium-sized town which is approximately one hour from any major city. The IT design and development team has an office (six employees) in this major city and the primary reason for this is to gain access to relevant IT skills. The remaining employees work more remotely and in international markets. The organisation has three main functional areas and, at most, two layers of management in any one area. Based on 28 interviews with staff (78%), the research findings followed the organisational structure by distinguishing between three functional groups throughout the findings, one: the sales and business development team (referred to as Sale); two: the operations team including both account management, the client success team and finance and administration (referred to as OPs), and three: the technical team (referred to as TE, combining both Technical Engineers and Technical Support); for coding see table 6 below. The age profile of the staff is relatively young reflected by the MD who is in his early thirties. In fact, of those interviewed, 57% were under 35 years of age. Still, these employees have extensive experience with 54% having greater than 10 years' experience. 61% of the workforce is female. Highlighting the high growth of the organisation, 54% have less than 1 years' service and 75% have less than 3 years' service. The workforce is highly qualified with 78% having a degree or higher. For a further breakdown of the demographics, please see Appendix 6.1.

Table 6 References and coding system adopted for respondents

Case Name	Functional Area	Level – 3 Levels	Code
	Sales & Development = Sale **Account Management, Client Success Team and Administration = OPs**	**Senior Mgt - SM** **Middle Mgt. - MM** **Front Line Employee - EM**	

	Technical Engineers and Technical Support = TE		
TalentCo	**Sale**	**Senior Manager**	**TalentSaleSM**
TalentCo	**OPs**	**Middle Manager**	**TalentOPsMM**
TalentCo	**TE**	**Employee**	**TalentTEEM**

Note – the senior manager is in charge of the functional area they have been identified with, for example, the Chief Operating Officer is referred to as TalentOPsSM (TalentCo Operations Senior Manager)

The organisation does not have a dedicated HR person and neither is the role explicitly assigned to any member of the management team. Most commentary suggests that the office manager takes most responsibility for HR, but it is very much seen as an administrative task such as managing leave. The evidence suggests that each manager adopt their own style in managing their group. The organisation has taken on funding in the 18 months leading up to the research and this has led to rapid growth. The organisation has high growth aspirations and they '*want*' their staff '*to be part of this fast growth story'* (TalentSaleSM).

6.1.2 History and Background

TalentCo is an award-winning small firm. In the years leading up to the research, the MD was voted in the top 100 entrepreneurs under 30 nationally. Although the company claims to have been one of the first (if not the first) with the idea for such an IT provision to facilitate short-listing and recruitment, they organically designed and developed the software to respond to this need, yet they failed to pursue a patent. Over the eight years since its inception, they have seen rapid growth in competition. Although leaders in Europe, they see their largest competition coming from the US market. Without the patent, the MD has suggested that their strategy has been market development and penetration, fuelling rapid growth in their Business Development and Sales team (Sales). Their objective is to get into the market as quickly as possible and become the name/brand associated with this product and service.

The round of funding (first round €1.5 m followed by a further €500k) has fuelled the rapid growth in staff numbers. The largest growth in employee numbers and stepped change has occurred in the Business Development and Sales function. As part of the external funding investors brought in an external CEO with a dedicated remit to oversee the growth phase. This placement was short-lived, however, as he left after eight months following encouragement by the MD due to a *'lack of understanding of the business and the product'* and where they want to go (TalentSaleSM).

With increased pressure from competition and the need to return on the funding, there is a perception amongst staff that they are under pressure financially, and this is placing constraints on how to manage their staff*; 'the company is quite strapped in resource-wise and cash-wise ..... you don't want to go cap in hand .... Other than buying them (staff) a pint every now and again out of your own pocket'* (TalentTEMM).

The organisation has been supported by government representative organisations in the form of Enterprise Ireland, including the provision of office space. Employees suggest a warmth and '*family feel'* to the small office referred to as the '*attic*', where staff work in very close proximity, characterising a high level of interdependency. Staff was required to be highly flexible and covered a range of tasks with the facility holding up to a maximum of 8 staff. Through further support from Enterprise Ireland, they have found a much larger premises with two large open-plan offices, with either one capable of holding most staff at HQ. Senior management work from their own offices. Interestingly, the current layout is comprised of Sales in one open-plan office and the Client Success Team (CSM – part of Ops) in the other. Although 18 months in the new offices, there are no signs on the building or directions to the location. Enterprise Ireland has also provided sales and management development training for the MD and one or two other senior managers. Visually, the physical infrastructure is modern with a canteen and open space reflective of a Googlesque type of approach, however, the premises lacks any visual evidence of its prominence in the area.

6.2 Organisational Strategy

TalentCo pursues a high quality strategy, where the software product is designed and developed as a '*time saving'* (TalentOPsEM) product and service for a phase of the recruitment and selection process. The product and support service is based on a '*premium brand'*, it's a '*superior product'*, '*the quality is in it'* and the '*scalability is important'* (TalentSaleSM). The organisation targets large organisations and their greatest successes have come from organisations with over 10,000 staff. Pivotal to the success and pursuit of high quality is that '*the support model for both the clients and the candidates is very strong and that would be a big thing because we wouldn't be the cheapest in the market for sure, but definitely the product and the service would be kind of above the others'* (TalentOPsMM). Client support is perceived as critical: *'Most of our competitors would have the same type of offerings that we do. The thing that makes it different is, I suppose, our personalities and the client focus that we have whereby we're, like, sitting on their shoulder throughout the experience…….* (TalentSaleMM), it enables them to be '*differentiated from the competition' (*TalentSaleMM). There is a sense of pride in the business and the MD suggests *'we're doing this for X (town), we're doing it for Ireland'.*

The researcher found widespread consensus from staff on the pursuit of a high quality strategy and support service, the fact that *they 'have a dedicated client success manager and that kind of sets us apart from all of our competitors along with the support desk so we offer 24/7 support which none of the other competitors do, so I would say they're huge selling points as well' (TalentOPsMM).* The maintenance of the relationship with '*regular*' contact is pivotal to the usage of the product which contributes to their high success in renewing contracts, they *'may not have the most snazziest of, like, in terms of features out there, but we do know that our support is what sells the product'* (TalentOPsSM).

The organisation backs up the strategy with a sales approach and pitch built on *'trust', 'client references'* and they harness value from the fact that they are *'around the longest'*(TalentSaleMM). They *'have a good reputation, …… good case studies…. good webinars and stuff like that'* (TalentSaleEM). The scalability of the product is important when targeting such large organisations, and being able to provide a '*robus*t', '*secure*' and '*reliable*' technology is highly valued. TalentCo reports to '*have something like 99.9% service reliability'* (TalentOPsMM).

6.2.1 Challenges and Recent Developments

Growth and investment

The recent major developments for the organisation involved the rapid expansion plans and with this came the increased pressure from investors to grow sales, necessitating a significant growth in the sales team and resulting in approximately 15 sales staff starting in one week. The rapid growth proved challenging and has been impeded by the lack of available skills and talent; '*I think it's scarce enough in the South East'* (MD). Many of the HR practices had to be altered to cater for the expansion such as the recruitment drive and the need for large scale induction and training.

With increasing pressure for sales, it appears that the quality of the product and service has been affected in some cases. This was most explicitly manifest through examples of below list selling. Evidence suggests that of the 15 that started in one week, less than half of these remained after 12 months. The new staff that joined in the big recruitment drive following the round of funding are referred to as '*newbies'* (TalentSaleMM). The narrative around this term has negative connotations and a sense of clear demarcation. There is a perception that the '*newbies*' are not as committed as those that are in since the early days. They have not bought into the TalentCo '*way*' as much as the early joiners (*'historics')*.

The investors placed a new CEO in the organisation, and while he was a '*good guy'*, and '*got on well'* with the current MD, '*he didn't really understand the business'* (TalentOPsSM). The current MD, who is the largest shareholder in the company felt that a lack of knowledge of the product and confusion over reporting lines led to an amicable departure. The MD acknowledges it has been a '*bumpy ride'*, and the rapid growth fuelled by the new CEO, led to too many projects given the '*limited resources'* (MD). One of the big challenges in this growth phase has been "*How can we make it seem like we're a really big global organisation that know what we're doing without, ………… There's a lot of paddling under the surface*' (TalentOPsSM)

Growth rates have slowed in the last 6 months and staff is struggling to hit the targets that senior management (guided by the investors) have set for them. Increased competition from low-cost providers with their added *'bells and whistles'* features have similarly impeded their growth.

Challenges appear in vision, strategy and communication.

Although there has been a difficult transition phase, what is common is an overall perception and consensus that the organisation wants to grow and staff is pleased to be part of it. Most staff, particularly historics, talk positively of the brand and refer to the TalentCo '*way*' of doing things, in one case even referred to as a 'cult' like feel for the brand. There is a warmth and family feel to the brand and a sense that staff want it to succeed. However, employees are not aware of any real strategic plan. While they believe senior management and the investors have a plan, they are not aware of it, nor can they articulate it, *'who has that sort of vision in the company that we should probably present something. Where are we going? Like, we are doing a lot of things now and we are sort of, like, we're fixing the product and we're doing a lot of features and functionality but the overall why are we doing it and where are we going. That's still missing' (TalentOPsSM).*

This suggests either a lack of a strategic plan or a lack of communication with respect to the plan. The quote below is significant as it comes from the senior manager for AM who feels structure and planning is missing;

'I do think it has been a kind of a learn as we go from ……the off-go, and we made mistakes and we changed that, and to some degree, it's what has made it so good, that kind of learn as you go approach. I don't think that should be the way anymore because we can't because we're too big now. Obviously the clear … So as an overall perspective, the clear goals are to grow the company' (TalentOPsSM), but how is not clear.

There is a perception emerging that staff is very aware of the pressures imposed by the round of funding and it is causing stress, many staff feel the targets are unrealistic but are imposed by the investors. *'It's just about the targets that we set ourselves are strongly influenced by the overall target of the company that's based on investors and whether we're going to have a job in six months if we don't hit those targets. I don't need to know about the investors. I shouldn't know about the investors. I shouldn't know about the breakdown of the investment they have put in and so on which we all do. I shouldn't know it at all. But because of that then, our figures. I might, just to have an easier life……. I suppose that's me shooting myself in the foot because the end of the quarter is demoralising, the start of the quarter is demoralising and you have to repeat, repeat, with none of the changes and I will stress that I have broached almost everything I have talked with you about today with my direct manager, the European MD, and every single time, it's been deflected, kicking the can down the road'* (TalentSaleMM).

Challenge of getting product known and increased competition.

It is important to identify that one of their earlier challenges was establishing a need for the product as the new product idea was not known. So the initial challenge was twofold;

including increasing awareness in the market and then also trying to get organisations to buy into the benefits of the proposed product and service. However, in the twelve months leading up to the research, the focus has been market development and penetration with increased competition from low-cost providers, '*There's been lots of changes in the last two years. We're probably not the number one in the market anymore. But have our senior management realised that yet or not? I don't think they do'* (TalentSaleMM).

The result of this has been increased pressure on sales staff; '*we're definitely not the cheapest on the market and it's something that I come up against again and again and prospects kind of ... Lately, I have found they've been beating me down a good bit on price and I've been selling under list value but I've had to do it in order to get them in. But no, quality is a big thing, feature*'(TalentSaleEM).

Flexibility and micromanagement.

Due to the increased competition, growth rates have plateaued somewhat and pressure to achieve targets has led to a change in the flexible terms and conditions that existed previously in the organisation. There is evidence of an emerging micromanagement ('*nanny state'*) approach within some of the functional areas, particularly in sales. The knock on effect is an erosion of the goodwill that came from the flexible working relationships.

6.3 HR Strategy

While no formal HR strategy exists, the desire is to create an environment that leads to attributes/attitudes of motivation and commitment to high quality. The descriptions from staff imply a high commitment-based HR configuration existed in the organisation before expansion, however, evidence suggests that a more productivity based HR configuration is emerging in some functional areas, particularly so in sales. This is reflected by a move towards a '*nanny state'* management philosophy (TalentSaleMM).

A significant feature has been the recruitment of people with the *'right enthusiasm and work ethic, ... It's kind of the mindset, you know, I think because you can teach someone the skill but you can't give them a different attitude as well'* (TalentSaleMM). They look for people who will buy into the TalentCo 'way' and brand. The traditional approach to managing staff is summarised by one sales team's description of the MD's philosophy; *"I don't care if you* *work one day a week, as long as you get your work done*,". A sense of organisational citizenship is nurtured by the *'kind of flexibility aspect of this job'* which *'is fantastic and that's, you know, and because of the kind of loyalty that, that has been shown to me'* (TalentTEMM). Even '*below market rate salaries'* are acceptable *'because they are passionate about the product and the company'* (TalentOPsSM). In summary, the MD suggests that '*You know, I have always tried to have people working in the company that love what they're doing. I'm a strong believer in that you should only do what you love doing because life is so short, and you know, people talk about work-life balances and work takes up a huge amount of your time'*

When asked for words to describe the ideal employee it becomes clear what management is looking for *'people who are extremely curious, excited about the product, excited about the space, and want to be part of this fast growth story'* (TalentOPsMM). They need to be '*hungry', 'driven'* (TalentOPsMM), *'enthusiastic', 'good relationship builders,……They really have to be willing to use their, 100% their own initiative. No-one, I think, gets spoon-fed in here. They probably have to be willing to kind of dedicate more than the 9 to 5. Everyone here does that. Everyone works more than the hours'* (TalentOPsMM). In addition, they seek those with a *'bit of get-up and go' (TalentOPsMM), 'self-starter is an important word, collaboration, reaching out for help, and not being afraid to make mistakes (*TalentOPsMM). There is a sense that they are trying to 'model' themselves on '*on some of the bigger IT companies like Google, like Facebook',* but they are also *'expected to put in 10-hour shifts, 12-hour shifts a day'* (TalentSaleEM).

In return for enthusiasm and commitment, flexibility is offered and it is possible given the high levels of commitment from staff. These high commitment levels were achievable by recruiting '*enthusiastic'* and *'passionate'* staff, creating a '*family feel'* environment and nurturing a '*cult like'* affiliation for the TalentCo 'way' and brand, so much so that the organisations needs were often prioritised over the individuals; they were on a journey, it is '*generally a company that gives people a chance*' (TalentOPsSM).

As with many organisations there can be some criticism of management, however, in many cases, what is paramount is that '*intentions are very good'*, and managers try to '*empower people'* and adopt a philosophy of *being 'quite open and honest and there would be a lot of integrity and stuff there' (TalentOPsMM).* Management themselves *'would like to see* *continue, this inclusiveness of people and, like, this sense of fun…….that people are approachable'* (TalentOPsSM)

In summary, traditionally the practices adopted to elicit the required motivation and commitment included recruiting enthusiastic candidates, providing them with autonomy, flexibility and challenging tasks in a teamwork environment (cf Monks et al., 2013). Their reward is the opportunity to learn and develop, job satisfaction and becoming part of the TalentCo growth story. While evidence suggests that this is maintained in many of the functional areas and within clusters, it has emerged that this approach is being eroded in the largest functional area, namely Sales.

While it may be down to external pressures, there is a sense of frustration emerging among employees (particularly in SD) and the image/perception conveyed to employees is being undermined by the changing management style, which may be attributable to the increasing pressure, as summarised by TalentSaleEM:

', it's supposed to be this whole kind of trendy company but you can't have that and you're giving out to people at the same stage. Like, when, like, you see how lovely the canteen is and the kitchen area, and that's supposed to be, to like, do you know, to get people to, like, brainstorm and be, do you know, get people creative but yet if you're sitting in the canteen and so management would walk in and be like, "Why are you sitting here? Why aren't you at your desk?" Do you know, "Why is there no-one at their desk?" Like, this is supposed to be the whole point of it, do you know, on the surface, they want to be this, this lovely, trendy young company, but they're not following through with that …'

The risk associated with the changing approach is growing frustration among employees and a drop in morale*, 'when I started, there was such a camaraderie going on, like, a big team, like, we're a team and we're this and we're that and we really want to do well. And we lost that, we totally lost that along the way' (TalentOPsMM).* While they used to be an *'open environment and a very relaxed, flexible environment…….however, it has become very pressurised… it's just revenue, revenue, revenue' (TalentOPsMM).*

In line with the 'content' view, the next section describes the HR functions and their associated HR practices to uncover the reality of what works or not in this case. The section thereafter takes a process view; by examining 'how' process features either strengthen or weaken the delivery of the intended message, by contributing to the effectiveness in establishing a common shared perception of what is expected and required by management.

6.4 HR Practices – Content View

6.4.1 Recruitment and Selection

In line with the organisations strategy of targeting highly '*enthusiastic*' and '*driven*' employees, there has been a strong emphasis placed on recruiting employees based on who will fit with the organisation; '*I think if two people are kind of in front of them with sort of, you know, maybe one might be slightly more experienced in sales or in technical stuff, I think they would pick the person who would have the better personality and the better fit' (TalentOPsMM).* Words like '*team player'*, '*hardworking*', *'friendly'* and '*personable*', describe the characteristics they look for. Led by the MD thus far, potential candidates are primarily identified and targeted using word of mouth and referrals as the favoured approach, with the exception of the rapid expansion phase in the last 12 to 18 months. As the staff numbers went from 12 to 50, a greater need for advertised recruitment and engagement with agencies became the norm. However, at the time of the research the numbers had reduced to 36.

The norm adopted for the selection process involves two to three rounds of interviews, with generally the first using the organisation's product, a second formal face-to-face and lastly an informal. The MD generally likes to be involved in at least one of the stages. In the selection process, the emphasis is placed on the '*person*' over the '*skills*' as the skills can be learned, "*Well, do they … Have they had enough interest in this to actually look up some of the facts before they go in? Do they show an enthusiasm around it? Like, is this something that it already looks like that they get excited about? If they're excited about it, then there's a good chance that this is something that they would like to do." (TalentOPsSM)*

Management and staff do not feel the most recent round of recruitment has been overly successful as there is less commitment to the brand and TalentCo 'way'. The use of '*job bridge'* (a subsidised government initiative that allows organisations recruit unemployed people and only pay a small portion of the wages) does not appear to have been as effective as anticipated, with 12 recruits in one cycle and only five remaining after 12 months. This appears at odds with the high value add jobs on offer and a high quality strategy. The team at headquarters led by the MD (with a sales background) believed that with the right personality and enthusiasm, they could be trained. In contrast, when recruiting for external sales people, they recruit based on experience. Even by the MD's own acknowledgment: *'I don't think … We've probably had a 50/50 hit rate or a success rate'*. Some of the existing employees believe this was a risky strategy and hasn't paid off; *'The salespeople who were brought in don't have the qualifications to be salespeople' (*TalentSaleMM).

Exasperating the issue is the fact that these new recruits were labelled the 'newbies' and were not seen in the same light. For many of these 'newbies', they felt they were sold a *'rose-tinted'* view of the organisation, and what they were '*sold is a little bit different to the reality'* (TalentOPsMM). Employees were sold a Googlesque type of feeling to the organisation (even in terms of premises with scooters and open plan) but '*Fast-forward two years and again, I think we're maybe stuck in a rut. I think there's an overall pessimistic atmosphere. I think it's very negative. There's no real capacity, like, not even just a sense of it, but there's no real capacity for optimism' (TalentSaleMM).*

6.4.2 Training and Development

Training needs to be discussed in two stages, one, how training and development were managed pre- and post- the rapid expansion. Traditionally, there were no formal training and development plans in place for staff with training carried out on an ad-hoc basis. The practice of 'sitting by nellie' and work-shadowing appears to have worked best and is spoken of favourably and still remains in the TE function. In these cases employees are given the time to practice and internalise the learning. Staff talk positively of the personal growth and development that came from cross-functional tasks and challenges when they were small and operated out of the 'attic', with a lack of staff resources. In this era, staff had to show dynamism and take on challenges outside of their comfort zone. This worked because it was exciting and the brand was growing, they worked collaboratively.

There is a lack of a formalised plan for staff based on their performance: '*There's not been any formal training as such. You know, I've been in organisations before. We have done something every month even if it's just for the team internally'* (TalentSaleMM). The perception is that training should be more forthcoming: '*I would like, there are certain things I would like training on, for example, Excel and which we have been asking for training on since October, and it hasn't happened yet and it's kind of been put on the long finger'* (TalentOPsMM). Nevertheless, staff are comfortable with the systems in place such as the CRM system (Capsule) but suggest that there is a lot of useful information in the organisation such as templates but they are not adequately organised or shared in Dropbox.

With the pressure for growth, TalentCo recruited employees without the *'qualifications to be salespeople'* but who they believed they could *'mould'* into salespeople. As one experienced sales person suggests, they may have been better advised *'instead of hiring ten people, they should have hired five people with sales experience' (TalentSaleMM).* When the new team of sales staff came in, a week long intensive induction style training plan was organised. While the MD was confident that they had '*done a pretty good job in the past for a company of our size…….. I think for all the new people that came in here last year, we had a very clear and structured training programme for them'.* On the contrary, employees involved were not impressed as there was *'no special person who would do the training and it was a mess'* , There is a sense of frustration that emerges and the blame is firmly pointed at a lack of management training*, 'the problem there is if you have a group of guys who have, with no real experience following someone with no real experience and senior management just kind of hoping that everything will work out because we have addressed it, because we have appointed someone. Then it just doesn't work, it really just doesn't work' (TalentSaleMM).* There is a sense emerging that employees feel that management also need training*, 'Management are in team lead positions with no training or kind of experience to help them with that'* (TalentTEMM). Some employees recommend that management need to '*go on a management course',* on how to '*manage staff'*, and find a strategy on how they '*want to treat'* their staff rather than continuously changing (TalentSaleEMJ).

Overall, this suggests that previously in TalentCo their training was on the job and this proved adequate and met requirements, however, with a group of new recruits it seems the immersive week did not meet requirements, especially as these individuals did not have sales experience. While this was somewhat recognised, the introduction of an emergent mentoring scheme was largely reactive and ultimately served to further the demarcation between new and more established employees, with the latter taking up valuable time of the former. This also risks fracturing the company fit once held so prominent in the recruitment processes. The ad-hoc and reactive approach is tending to undermine the credibility of the members of the senior management team and in particular, the MD.

6.4.3 Performance

Performance is very much assessed based on achieving targets, whether it's sales targets or management by objectives (MBOs). At the time of the research, the focus for senior management is very much '*revenue, revenue, revenue'*. The focus on sales is very much in response to external investor pressure. The sales function is given targets that they are expected to achieve and their commission rises based on exceeding certain targets. All functional areas have some form of performance structure in place and adopt a management by objectives approach. Within sales, it is further broken down into the number of new leads, calls, demos, emails and pilots, all of which is recorded in the CRM system so that management know what their daily activities are. The TE team (Technical Engineers and Technical Support) are given design and development parts of the software to work on, and it is a constant dialogue with the CTO. The Client Success Management (CSM) team (part of Ops) are given tasks they need to complete and their activities and contact with clients are recorded in the CRM system, and they '*would all have maybe three or four things that we would need to kind of complete and so we would kind of be measured on that' (TalentOPsMM).*

There is no standard annual performance appraisals across the organisation, however, there have been a few in recent months. However, staff is confident that their direct managers know how they are performing given the regular contact and the close monitoring of the objectives and sales targets. Nevertheless, '*I suppose having the performance reviews kind of would be helpful*' (TalentSaleEM). The difficulty at the time of the research is that growth rates have plateaued and with increased competition, setting and achieving targets has proven difficult. The targets are proving ambitious in response to investors targets, and they are a filtered down result of discussions with investors. However, most sales staff are not reaching their targets resulting in demoralisation. '*I don't know. I suppose, not everyone who came in at the same time as me has hit their targets, drastically not hitting our targets, we're way under'* (TalentSaleEM).

Beyond losing out on financial incentives, there is a lack of action taken for underperformance, *'Nothing's done if you don't meet your targets kind of thing*' (TalentSaleEM) and staff is concerned about the long term implications and job security. Employees are aware that not reaching targets is not sustainable, but a lack of action is frustrating, particularly for those performing adequately or better. One employee alludes to the fact that they have cost more than they have returned over a 13 month period, yet it doesn't lead to a reaction. There is a systematic method for gathering the relevant performance information through Capsule (CRM system), however, there is no standard way of dealing with performance levels. Management appear to deal with their own team and where performance issues arise, there is a sense of '*just sweep it under the carpet'* *(*TalentSaleEM).

6.4.4 Rewards

Extrinsic rewards are acceptable for the region, and employees value working locally. Performance related pay is offered and a comfortable Googleesque style of working environment are appreciated. Employees also emphasise the importance of the intrinsic satisfaction gained from client success and praise and recognition. An important feature for the staff is a level of job satisfaction, whether an IT staff member working with highly skilled colleagues or working on the latest technology, or alternatively, the client success team; **'***it's a great satisfaction when you have a recurring client that signs every year and they're really happy. You get feedback as well to say that, you know, "We had really good support from X, Y and Z" and it is, it's really rewarding when you hear back the feedback, the positive feedback from the candidates'* (TalentOPsMM).

Rewards are considered low but reflective/relative to the geographical location. The jobs at HQ in the mid-sized town are considered good jobs for the region, whereas the TE team are competing in the capital city and are closer to the market rate. In addition, TalentCo compensates by offering the opportunity to join a growing organisation and working with highly skilled individuals and the latest technology (particularly so in the tech team). Staff is encouraged to be innovative and all ideas are considered.

The physical environment appeals to staff with the Googleesque type of canteen. There are a few symbols of fun activities around the offices, with a scooter and a bike, and exercise classes arranged for the canteen area. Sales, in general, are celebrated by ringing a bell and large client wins are celebrated with an email from senior management acknowledging the success. The organisation has recently introduced activities such as quadding and drinks, in response to an awareness of low morale. However, many feel that more daily interactive work based activities and general 'fun' in the workplace that did exist prior to the nanny state is more effective than '*these big massive team-building fake team-building sessions'* (TalentOPsMM). There is a sense that a combination of relative pay, positive supportive working environment and recognition are key motivating factors, but morale is low at HQ.

6.4.5 Job Design

The researcher decided to explore job design as the growth in micro-management appeared prominently, causing high levels of frustration and growing tension between groups of employees. Job design is highly contingent on the individual manager's style. Traditionally, and in general, however, employees have been accustomed to high levels of autonomy over how they do their job. The MD would say that provided employees are getting their work done, he is happy to offer flexibility in return.

Traditionally, employees were hired and given autonomy and the opportunity to explore and learn (very often by trial and error). Commentary suggests that this worked because of their passion for the product and the family feel of the workplace. This environment of collaboration, interdependency, team-working and challenging tasks is evident when the organisation was small. While it may have been inevitable because of size and the dynamism and ambiguity involved; narrative suggests greater learning, *'excitement', 'family feel'* and autonomy occurred particularly so when they were in the '*attic'*. Management pride themselves on being open and approachable and staff feel they have access to senior management at all times including the MD. However, it is suggested that the newbies '*skipped the TalentCo love as such'*, they didn't '*come into the family as such'*, and '*started to really enjoy the company and like, the actual TalentCo. way*' (TalentSaleEM).

While there may be many internal and external factors at play, the reality they are exposed to is different working terms than their colleagues. As an example, the newbies work to 5.30 whereas the historics work to 5 pm. In addition, out-of-office support hours is also a contentious point. All new employees are expected to cover support hours which underpins the high quality service for clients and enables new employees to become '*experts on the product*' (MD). However, it was understandable to have to cover support hours when new to the organisation, but it has continued beyond the agreed three months which is perceived '*unfair'* for this group as a lack of new recruits means no one is alleviating them of this responsibility.

These changing terms and conditions coincided with an increase in staff monitoring in response to poor performance and led to the withdrawal of a key feature, flexibility: *'There used to be quite a lot of flexibility where we could work from home on a certain day, …., that was a really, one of the things that we loved about the company when we started, there was* *that kind of flexibility and then we got an email possibly kind of around March time saying that the absence policy has now changed. "There is no more working from home. We have had too many people out sick. …… So we got an email just out of the blue one day and everyone was just like, "Oh crap,"'* (TalentOPsMM).

The emerging environment has been described as a '*nanny state'* where '*big brother'* is watching you and the result is a drop in staff morale. The result is a reduced morale in the work environment, and fuelling a divide between historics and newbies, given that newbies are seen to be responsible for the withdrawal of flexibility; *'So this is what happens and we end up having this whole water cooler bitching session amongst ourselves and it, that just makes the divide even bigger' (TalentOPsMM).*

Yet, this does not exist throughout the organisation as some functional areas, depending on the manager have maintained some flexibility. The TE team would say that there is no micromanagement and collaboration is working well. They are given tasks by the CTO and they often collaborate, but they are given autonomy over their job. *'So it's definitely not micro-management*,' (TalentTEEM); '*I've got a great amount, I've got a huge amount of freedom in my job.'* (TalentTEEM)

6.4.6 Employment Communication/Involvement

Traditionally the employment relationship has been strong with an open and approachable style adopted by management and in most cases, staff perceive management to have '*good intentions'*. Management has recently arranged organisation-wide social activities. There are strong relationships in clusters and some functional areas, with the TE team (small numbers) standing out as having a '*very positive, you know, employee management relationship'* **(**TalentTEEM). The manager has a '*positive frame of mind'*, and suggests that the importance of '*that sense of involvement of your staff in the decisions that are made. I mean, as a manager, you would have to do some filtering. But there is that and you can bring the staff with you by sharing at least what you can share with them, so that's what I'm constantly trying to do and trying it to make it a little bit, make it exciting with what you have and sort of, even as a manager, be approachable and sort of open to ideas and let the staff off and do things because they feel great when they do.*'

However, at headquarters the divide between historics and newbies is dominating the conversation about relations within the workplace. For newbies, it is fair to say that the opportunity has not lived up to expectations. The historics are frustrated by and blame the newbies for withdrawal of flexible terms owing to an exploitation of the flexible terms in parallel with underperformance. For the newbies, they feel they are not told the whole truth, and the explanation provided for changing the employment contracts so that they would have to continue with support hours was seen as '*the biggest load of bullshit I have ever heard in my whole life*' (TalentOPsMM).

Coinciding with the deterioration of the relationship is the withdrawal of flexible working hours and an increase in a perceived '*big brother'* approach; with the newbies largely being blamed for the changes. The problems arise when historics '*don't think management trusted them (newbies) enough to follow that example that was led by the older people, so they have kind of cut down on the flexibility' (*TalentSaleEM). There is a sense of frustration emerging among sales and a poor sense of importance/belonging to the organisation, best summed up by; *'my name might, may not as well be on the page. It could be "Employee One, or 45,000."* (TalentSaleMM).

In conclusion, a content view and summary of the HR functions highlights many activities and tensions that undermine employee motivation and commitment. We now turn our attention to examining how a process perspective influences these effects. Here practices are examined for both vertical and horizontal alignment (VA and HA respectively in the process feature: consistency of HRM message).

6.5 System Strength – Process View

Having formerly reviewed 'what' HR practices have been adopted, we turn our attention to exploring 'how' the process features influence employee perceptions through the lens of both management and employees. Based on the Bowen and Ostroff framework, section B examines how the metafeatures of distinctiveness, consistency and consensus (and their associated features) influence the successful management or not of the employees. We begin with assessing if the processes and practices adopted arouse attention to this message, hence is the message distinct.

6.5.1 Distinctiveness

A system that is distinct generally stands out in the environment; the more distinct the more likely it is obvious to employees what it represents. Although a message may be distinct, received and accepted, it may be the wrong message, thus the findings must consider whether the message delivered is the one intended and does it support motivation and commitment to delivery of a high quality product and service. Features (see literature chapter 3 table 3.1, p. 43 for description) that determine levels of distinctiveness are visibility, understanding, legitimacy of authority and relevance, and attention now turns to the effectiveness of these features in ensuring the message is delivered as intended.

6.5.1.1 Visibility

Visibility is the "degree to which these practices are salient and readily observable", as a "prerequisite for interpretation", visibility provides employees with an opportunity to make sense of the practices (Bowen and Ostroff, 2004, p. 208). Rather than comment on every HR function and associated practices, the researcher has extracted the key visibility issues emerged from coding the data.

Role of HR

From a visibility perspective, distinctiveness could be considered moderate to low as there is no obvious HR function or HR manager, and the responsibility for HR is perceived to rest with the office manager, more by default than by choice. The role is associated with the office manager who lacks the prior experience in the responsibility. This can serve to reduce the value of the function as it is perceived as an administrative and controlling activity, used for '*booking holidays'*, etc. Not uncommon in organisations of this size, HR doesn't have an assigned title. Although the title is not visible, some strength comes from the visible involvement of senior management in managing staff, hence drawing attention to HR's importance, particularly in staffing activities. With the exception of administrative requests, staff believe most strategic decisions will go back to the MD and, in particular, when it comes to financial rewards.

Geospatial observation

A notable observation throughout the researcher's time on-site was the lack of interaction and even noise coming from a sales environment. Notably, also was the vast size of the two open-plan offices, yet the Client Success Management Team (CSM –part of AM) stayed in a separate office to the SD and administration staff. The physical structure facilitates a collaborative environment that would attract '*enthusiast*ic', '*excited*' and '*energetic*' candidates to work as a '*team*' and grow the business, and its appeal was often referred to at the recruitment phase. However, the space although visibly conducive to a creative atmosphere, is not used in this way. The reality is quite different, '*It could be very bleak sometimes…….you could be Skypeing someone a little message and then you might laugh at it. ….. "What are they laughing at? They're obviously saying something on Skype. They're not working. They're dossing*." … (TalentSaleEM). The recent addition of the office manager to the sales room is interpreted as a means to visibly monitor staff promoting more micromanagement. Thus visibility is evidenced, although not necessarily with positive consequences.

Recruitment

There is widespread consensus that the highly visible recruitment drive for a sales force was not a success, with a less than '*50/50 success rate'* (MD). This highly visible recruitment led to a reduction in the credibility of management and the importance placed on staffing.

Performance

Although formal performance appraisals/reviews are not in place, staff is confident that they know what they have to do, due to regular communication with their managers. With the exception of the Tech team (TE), most activities and tasks can (are/should) be recorded in the CRM system (Capsule). Sales hold their own weekly sales meetings and they invite the other functional areas (with the exception of TE) into a fortnightly meeting. Staff is disappointed that these meetings have become more about updates for reporting and monitoring rather than for constructive purposes. Staff feel the stats could be produced from the CRM system and focus should be on learning from colleague successes and how they got sales over the line. Thus, these meetings are informative but not consultative (Wilkinson et al., 2007), thus highly visible, but not always constructive.

There is a preoccupation with the end of the quarter and trying to hit their targets. *'We are very focused on the revenue figures. They have to be in at the end of the quarter, whatever it takes to do that. Once that's achieved, everything else falls by the wayside' (TalentOPsMM).* Hence, a strong perception at HQ is that revenue is what is rewarded, and in some cases this has led to '*below list selling'*; an activity that undermines a high quality strategy, potentially suggesting the wrong message.

Underperformance is highly visible given the regular sales meetings, however, there is a lack of accountability or action against underperforming individuals causes a strong sense of frustration as high performers are suffering from the introduction of more micromanagement or '*nanny state'* features. This further undermines the credibility of the management team owing to the failure to take appropriate actions against poor performance. This has fuelled a divide between staff and in many cases, underperformance is associated with those that came in during the expansion and large recruitment round (newbies).

Labelling of staff

This highly visible labelling of *'newbies'* as opposed to *'historics'* has negative connotations associated with it, and staff found it a bit '*degrading*'. In addition to the labelling, the newbies are given different terms and conditions to historics; their work hours are extended from 5 to 5.30 and their provision of support hours have been extended indefinitely as opposed to a limited 3 - 6 months. Historics believe they have a stronger 'love'/loyalty for the TalentCo way and are not just in it for the money, as is their perception of the 'newbies'. Coinciding with this labelling is a combination of unrealistic targets and underperformance of the sales team (in particular, the junior sales team who are all newbies), causing an increase in the implementation of a 'nanny state'.

In response, the recent withdrawal of flexible working patterns is highly visible and signifies/symbolises a reduction in '*trust'*. This highly visible action has fuelled a greater divide between the 'historics' and the 'newbies', as the newbies are blamed for this withdrawal as they have exploited the flexibility, in fact, they have taken the *'piss'*, '*It's gone to the stage now where that whole flexibility was passed on to the new staff and … some people have completely taken …advantage'* (TalentOPsMM).

The resulting implication is the withdrawal of flexi-time. In response to poor performance and the abuse of flexi-time is the visible insertion of the office manager into the open-plan office has created a negative perception of '*nanny state'* or '*big brother'* effect, where staff are watched and comments are passed, such as a *'15 minute*' tea break or '*An email will come out and say, "OK, no more of that, coming in late" or "No more of this" or "No more of that"*' (TalentSaleEM). A week long training plan for the newbies hasn't worked out that well, while management believed it was '*well structured'*, staff's perception was that it was too much and became a '*mess*'. Thus while highly visible, it was not perceived as a success and undermined the credibility of the senior management team led by the MD on this occasion.

In order to increase visibility, a continued increase of very recent HR activities such as the people strategy event, expansion of performance reviews, and cross functional and team training plans are increasing visibility. As Guest (2011) suggests, the greater the number of practices the greater the visibility and hence, the likelihood of a perceived valid HR function. However, although possibly more distinct and visible; it appears that some of the activities are sending the ‘wrong message’.

In conclusion, the practices that are readily observable at HQ are not altogether conducive to creating an environment that elicits employee motivation and commitment attitudes. One of the important management intentions to build organisational citizenship has been eroded in recent times, and while the ‘historics’ believe that the ‘newbies’ are not as committed to building the brand, and it’s more about the *‘money’* for them. For a summary, see Table 6.1 below.

Table 6.1

Visibility [20]

Key Findings

First order constructs – Visibility

- No assigned HR title
- No formal HR strategy in place
- Employees not aware of any HR person or who is responsible
- Administrative HR queries are assigned to the Office Manager, but more strategic issues are directed to the MD.

Lacking formal status & policy

- Increase in sophistication and number of HR related activities – CRM (Capsule), Performance Reviews (PAs), suggestion boxes, staff social events, inductions and bi-weekly staff meetings common practice. However:
  1. Recent recruitment and selection in sales – visible lack of success – 50% left within 12 months.
  2. T & D ad-hoc and reactive
  3. Recent induction – week long – different perceptions – seen as 'overwhelming mess' by employees but MD was happy with it
- Sales meetings and CRM system all about outcomes and KPIs, and not about 'how', the 'steps needed' to achieve targets. Reporting mechanisms.

Growing number of HR

- Labelling of employees as either 'historics' or 'newbies' brings with them negative connotations.
- Those carrying the newbie label see it as 'degrading'
- Many feel they find out things through gossip
- External investor pressure – 'we shouldn't know anything about the investors' – awareness of problems is high, but extent not known or understood.
- With respect to changing terms of contract, the rationale provided - '*the biggest load of bullshit I have ever heard in my whole life*"'

Communication issues/visible differences

- Premises – Googlesque style with scooters, canteen open plan canteen. – conducive to innovation but more not used in this way
- Sense of 'big brother' - Open plan offices but sales and others separated.
- Physical structure a positive message but office layout ultimately prevents collaboration
- Offices noticeably quiet for sales environment - Sense of 'big brother' - Lack of noise and banter observed – '*It could be very bleak sometimes…….you could be Skypeing someone a little message and then you might laugh at it. …..They're not working. They're dossing*."

Facilities

[20] Visibility is summarised and grouped primarily from the 130 entries in NVivo. Key descriptors for identifying visibility: 'practices are salient and readily observable', 'disclosed to employees', 'number and range of practices', 'increases complexity' and 'more figural relative to other stimuli'
All key descriptors and definitions are taken from Bowen and Ostroff (2004; 2016).

6.5.1.2 Legitimacy of Authority

People are motivated by something if they perceive it to be important and the staff is more likely to submit to performance expectations where the HRM function holds a "high status, high credibility*"* role within the organisation (Bowen and Ostroff, 2004, p. 209).

In this case there is no separate HR function, nevertheless, top management place a high priority on managing people, and those implementing the practices hold extensive power. Many suggest the responsibility rests with the office manager although it appears this is by default rather than design. Interestingly, employees go to the office manager for administration issues such as booking holidays, '*I'm the glue that keeps everything together'* while they go to the MD for career, financial and more strategic issues.

"Communicator credibility is a critical component in attribution, persuasion and influence attempts*"* (Bowen and Ostroff, 2004, p.209), and where credibility is high, it is likely that the message is delivered, understood and adopted. Hence, perceived power attributable to status is insufficient, it must be accompanied by credibility. An important feature though is the questions that hang over the credibility of those managing the largest group/function, SD. By his own admission, the MD suggests that recruitment hasn't been successful and the training hasn't compensated for the lack of experience of the candidates recruited. Admittedly, the background of the MD and the office manager suggest they have limited experience in managing staff or a sales force. Staff turnover is a result of recruiting unsuitable staff with a 50/50 success rate.

In contrast, the CTO is credited with high skills levels and is attributed to creating a positive and collaborative working environment in his team. The affection remains strong for the brand among this group (TE) and in a few clusters, there is great respect for the ability of some direct managers, including the CSM (part of Ops) team. The concern is that among the largest team there is a belief that '*management needs to kind of maybe go on a management course'* (TalentSaleEM).

Most significantly, many staff feel that the sales team are managed poorly, but is attributable to a lack of knowledge or skills rather than bad intentions. Sales suggest that weekly meetings are reporting exercises rather than being constructive. Performance is measured mostly on metrics and revenue and not the '*steps*' involved. Training of new staff was not successful, however, this may be attributable to a lack of experience, skills and knowledge on the part of those recruited. A failure to take action for poor performance and missed targets undermines their credibility also. This complacency around poor performance has led to exploitation of flexitime, as repercussions were not invoked. As one employee suggests, they '*think they need to bring everybody in again and be like managers, act like managers, enforce more rules if they have to, and ……..that will be good for the organisation as well…….it will get people a bit more focused'* (TalentOPsMM). However, as mentioned previously, inaction has led to micro management and withdrawal of flexible arrangements affecting all; both 'historics' and 'newbies', causing resentment on the part of the 'historics'.

Management also has lost credibility with their proposal to have new staff do the support hours as a temporary, training-in mechanism. Staff would have preferred a more honest and transparent approach and if management were to be straight and say 24/7 support, '*It's a big USP for us,…….We need your support and we promise it will get better,… but no-one said that'*. (TalentCoSaleEM)

Staff believe there is a lack of follow-through from senior management. While the MD *'likes to hear ideas'* but seen as '*very bad in actually listening to them*', reflected by no action or follow-up on a suggestions box (TalentOPsMM). Similarly, while the feedback from a '*comprehensive survey about training'* was carried out among staff and it was positively received; a lack of follow-through led to frustration:

'*I remember [the MD] giving us a presentation on the feedback from it and everyone being all motivated again because it seemed like they were listening and they were going to take it on board and they didn't. So again it's just up, down, up, down. And I think people got to the stage where they're just like, "Do you know what, I'm just going to come in here, do my job, go home, and then feck whoever else."*

In summary, many are somewhat critical of the management team, as one experienced middle management suggests*; 'I don't think … The people that are managing us, they are not managers, you know, they don't really have experience in management. They are, they have loads of experience in* the career-wise *and what they do but they, I don't know whether they have ever had any tools or resources provided to them on how to manage people'* (TalentOPsMM).

The legitimacy and credibility of senior management in some functional areas (sales) has been called into question, and a lack of confidence is undermining staff motivation and commitment. Frustration is played out in one comment that suggests that there is no point in having a '*world-class soccer player'* and giving them a *'rugby pitch'* (TalentSaleMM). As proposed by Bowen & Ostroff, the danger is that staff pay less attention, and this is becoming a reality with increased turnover and absenteeism. For summary table, see Table 6.2 below.

Table 6.2

Legitimacy of Authority [21]

Key findings

First order constructs – Legitimacy of authority

- General view of a lack of HRM skills and experience on senior management team:
    - Strategic HRM issues – MD (Sales background)
    - Admin HR – Office Manager (Admin Background)
    - *'She's not a HR person. She's an office manager'*
- Lack of HRM skills exposed - 'they're not managers'
- Investor appointed CEO removed amicably – *'lack of understanding of the business and the product'(MD's view)*

Lack of HRM skills & experience

- High perceived power – functional senior managers involved with high status and access to resources
- Senior management adopt different approaches and credibility questioned - : *'they are not managers, you know, they don't really have experience in management'* (TalentOPSMM)
- Everyone (senior managers) takes responsibility for managing their team – 'they do what's best for their team'.
- MD is the ultimate decision maker in rewards, recruitment and promotion

High perceived power – disjointed effort

- Recent R & S unsuccessful (job-bridge initiative), resulting in high turnover - *We've probably had a 50/50 hit rate or a success rate'*
- Investment in HR related activities – CRM, PAs, inductions etc. – however recent induction training seen as 'mess' by recruits
- Lack of action/consequences for underperformance: missed targets with no penalties
- *Lack of credibility of management* – staff pay less attention to the message: 'The people that are managing us, they are not managers, you know, they don't really have experience in management' C2AM2GD. Setting unrealistic targets and ineffective training.
- *Management are in team lead positions with no training or kind of experience to help them with that, and I would include myself in that*
- 'management needs to kind of maybe go on a management course'
- that there is no point in having a '*world-class soccer player'* and giving them a *'rugby pitch'*
- 'Management are in team lead positions with no training or kind of experience to help them with that'
- Rose-tinted view provided at recruitment stage – sold as larger highly professionalised company – didn't live up to expectations

Work ethic but lack of credibility

Investor pressure

- No clear plans – just growth – however, competition growing
- Investors imposed targets that are unrealistic for sales
- Investors have driven a stepped growth in the sales team, however, it has proven ineffective.
- *'the company is quite strapped in resource- wise and cash-wise ….. you don't want to go cap in hand …. Other than buying them (staff) a pint every now and again out of your own pocket'*

[21] Legitimacy of authority is summarised and grouped primarily from 178 entries in NVivo. The key descriptors are: 'high-credibility function', 'investments in HR practices', 'visible top management support'.

6.5.1.3 Understanding

The more employees understand the objective behind practices and how practices operate the greater the distinctiveness. At a basic level, staff know what they are to do and they know what they get paid for. In most cases, staff work towards objectives (MBOs) and targets, with incentives built-in. However, while staff know what to '*do as an individual, but in terms of the communication, the bigger plans are not always communicated'* (TalentSaleEM).

There is widespread understanding of the actual practices enacted, but less understanding why practices are adopted in some functional areas, particularly so in sales. There may be a misunderstanding of the objectives behind the introduction of some new practices, such as the withdrawal of flexibility, increased working hours and closer monitoring of staff, resulting in a perceived lack of equitable treatment of different groups.

While staff understand that the organisation recruits based on personality and enthusiasm, however, they fail to understand the objectives why senior management recruited junior sales staff with no experience. It's fair to say that if they have passion and enthusiasm they can improve but their performance is dependent on more than enthusiasm, but contingent on their knowledge, skills and abilities. That said it is not clear in this instance whether top management necessarily had clarity around the new process.

There is also a sense of frustration over a lack of communication, especially related to critical events. Staff expressed shock at discovering that one of their colleagues was leaving on the day they were leaving. In addition, staff is annoyed that they mostly find out information through gossip rather that formal lines of communication and those in the cliques know first. This also related to personal events, one staff member only found out by chance that the MD had a baby in the previous days.

Generally, there is a lack of understanding as to why people are being treated differently, and it goes back to the divide between 'historics' and 'newbies', with the former *'trusted'* more than others (TalentSaleEM). With respect to out of hours support, '*that has always been an issue, that there's only, like, about seven or eight of us that cover it. No-one else does it because they just refuse to do it. Another thing is certain people get to leave at five. Others have to stay until half-five' (*TalentSaleMM). Management has certainly lost respect with the explanations around the extension of out-of-office support hours i.e. the argument that it is part of your training to become an expert on the product has worn off. Further dismay and a deterioration in relationships were caused by the changing of contracts to replace the six months out of office hours support requirement with the need for out-of-office support hours indefinitely. The explanation used to suggest that contracts were being changed based on advice from Enterprise Ireland to not appear so '*salesy*' was perceived as '*the biggest load of bullshit I have ever heard in my whole life'* (TalentOPsMM). Staff would much prefer to have been told the truth and they would have responded more positively, rather than a perceived deception by management. Tensions are especially evident when it comes to the distinction between staff as it was noted that *'management are finding it hard to treat them [newbies] the same …., I don't think management trusted them enough to follow that example that was led by the older people, so they have kind of cut down on the flexibility and they are kind of like, it's more, you're watched and you're tied to your desk and if you're getting up, "Where are you going?" and this kind of thing*,' (TalentSaleEM). This micromanagement development is at odds with the autonomous message that has been conveyed in the past and on entry, and fuels the tension between the groups of employees. This is especially the case for the newbies as they fail to understand the disparity.

In conclusion, unless staff fully understand practices and their intentions, it reduces their motivation and commitment to adopt them. For practices such as regular sales meetings to have their desired effect, not only must staff receive the relevant information and understand the purpose, they must yield to the message, thus, they must see the practice as being constructive and useful to assist with their jobs. Already here we get a sense of the value of a process perspective i.e. having regular meetings is not sufficient, it is how they are signalled, understood and function, in practice that is where value is added or lost. If staff do not understand the intentions and reasons behind the withdrawal of flexibility and the increase in more micro-management practices, it is difficult to accept. This argument brings us nicely forward to the importance of relevance and if practices are neither understood nor relevant, staff will pay little attention to them. For summary table, see Table 6.3 below.

Table 6.3

Understanding [22]

Key Findings

- As practices are straight-forward in nature, staff know what they are to do in relation to daily tasks and what they get rewarded for.
- Lack of understanding for performance reviews and lack of connection to training plans
- Training is dependent on individual managers and is not centralised – seen as ad-hoc and reactive, generally, 'there's not been any formal training as such.'
- Lack of understanding for different practices applied to historics and newbies (sales)
  - Newbies - withdrawal of flexitime, increased working hours (from 5 to 5.30), increased and extended support hours, increase in micro-management – 'nanny state'.
  - Setting unrealistic targets and rewards (Sales team and newbies) – increased competition and investor pressure
  - Recruiting inexperienced staff – 'they would have been better off if they hired half the amount and gave them better training'. Also sold a rose-tinted view at recruitment stage
  - Withdrawal of work shadowing for newbies

First-order constructs – Understanding

Some lack of understanding

- Operational clarity - adopt a management by objective (MBOs)
- Introduction of CRM (Capsule) enables monitoring and recording, facilitating outcomes assessment, 'forced them basically to record their activities'
- Standardised activities and operating procedures with documentation and templates in Dropbox
- Proximity with individual managers increases awareness - few layers of management – senior manager over each function deals directly with their employees facilitates questioning.

Process and task driven

- The 'Attic' is remembered fondly as employees were more aware of what's going on
- Lack of understanding for differentiation between practices for historics and newbies, including withdrawal of flexitime. Perceived sense of partial truth telling.
- The rose-tinted high commitment philosophy of autonomy, innovation and development opportunities is undermined by the introduction of 'nanny state' for the largest group of employees (Sales). They 'model' themselves '*on some of the bigger IT companies like Google, like Facebook'*, but recent practices suggest more controlling.
- The sense of 'big brother' watching over you creates tension and low morale: laughing is perceived as 'You are not working, what are you doing'.
- The relocation of the office manager to the sales office seen as a controlling mechanism, who perceives hardwork by the number of hours worked.
- Staff feel there is a lack of transparency and 'It never feels like we're being told the full truth a lot of the time when we're being told things. So it's, it's like, they just tell us what they want us to hear'.
-

Conflicting information – nanny state

[22] Understanding is summarised and grouped primarily from 59 entries in NVivo. The key descriptors are: 'lack of ambiguity and ease of communication', communication must be 'understood', 'drawing attention to some features'.

6.5.1.4 Relevance

In order for employees to direct motivational attention to an HR activity, they must view HR as relevant both to some organisational goals and individual goals. Given the smallness of the organisation, employees generally are aware of the relevance of activities to the organisation and themselves (it's all about sales and '*revenue*'). However, short of being a '*global player'*, there is a lack of clarity around organisational growth plans, let alone how they relate to individual training plans, thus reducing the perception of relevance. Several comments suggest that management know what they are doing and '*have a plan'*, although this is not reflected in employee perceptions.

For TalentCo, it is envisaged the objective of achieving a high quality product and service can be delivered by a highly committed and motivated workforce. Thus, the intention of HR is to achieve relevance to the organisation's goals and individual goals. When TalentCo operated out of the '*attic*', it had what could be described as a '*cult*' like commitment to the TalentCo way and brand. The dream of becoming a global player and the opportunities it would bring inspired and enthused the workforce. However, now that growth rates have plateaued and a division has occurred with the 'newbies', the relevance of practices such as rewards is proving less relevant as incentives become unrealistic. The AM team are motivated by the quality of service and feedback which can be measured by their high levels of success with renewals. Similarly, the TE team are motivated by the challenge of designing and maintaining a '*reliable*' and '*robust*' IT platform which is evident by feedback on the customer experience and reliability. For the TE team, the work is more challenging and they are working on the latest technologies, thus the work is more motivating as it appeals to their relevant individual goals. By contrast, the sales and business development (Sales) teams are demotivated by the lack of expected growth in sales and in many cases unrealistic targets.

There are many issues at play for sales and business development (Sales). Relevance increases for staff when they are involved in setting targets, yet contrary to OPs and TE, in most cases, sales targets are imposed on staff and unrealistic targets are causing a level of demotivation.

At the time of the research, neither management nor sales teams are aware of what is achievable in sales. Both parties are finding it difficult to set realistic targets, and to date, it appears that they have been largely '*based on investors'* (TalentSaleMM). Job security is also a cause for concern. There is tension and a growing concern that management is failing to take necessary action[23],.. One of the sales team has a strong suggestion around how to improve the situation: '*I really think from a management perspective, it's giving us some structure…… better lines of communication.* (TalentSaleMM).

Evidently, there are some gaps between the goals of management and the goals of employees. Flexibility was traditionally offered and was seen as one of the perks of the job, however, increasing sales targets from management has caused them to withdraw the level of flexibility causing increased frustration among those affected, ie. the largest functional area, sales. While acknowledging that '*the sales team seem to be the main focus of the company which is fine',* and the *'guys are incentivised with commission but not everyone is motivated by money and I don't think they really understand that' (*TalentOPsMM). The risk here is that employees were recruited and managed under different terms and expectations in the past and they do not meet individual goals and expectations. With a focus on sales, some staff believe the objective is simple: '*what's the minimum we can do just to keep this thing going until we sell it?'*' (TalentTEEM)

Beyond a growth strategy, the HR activities are not meeting staff expectations in the area of training, rewards and self-development, and this is affecting staff's motivation. By contrast, the TE team have greater success and relevance with their practices as staff gain one-to-one access to highly skilled colleagues and regular access to the CTO for guidance. They have autonomy over a component of the software and extensive collaboration is at the heart of their behaviour. They gain greater intrinsic rewards from challenging tasks and exposure to the latest technologies. These practices are more reflective of an approach to 'enhance employee capabilities' (Monks et al., 2013, p. 386). For summary table, see Table 6.4 below.

[23] Through the course of interviewing it was clear that a number of employees were hopeful that management had recruited the researcher to aid in a turnaround.

Table 6.4

Relevance [24]

Key findings

First-order construct - Relevance

- 'it has become very pressurised… it's just revenue, revenue, revenue'.
- *'We are very* focused on the revenue figures. They have to be in at the end of the quarter, whatever it takes to do that. Once that's achieved, everything else falls by the wayside'
- Employee of the year – the one who delivers the most revenue
- *'the only thing that people really get measured on is sort of the how much, how much revenue they generate'*
- I shouldn't know anything about the investors and the pressure we are under

Revenue focus

- Led by the MD, the 'person' over the 'skills' is chosen, 'skills can be learnt'.
- 'I think they would pick the person who would have the better personality and the better fit' - 'team player', hardworking, friendly and personable
- They recruit passionate, enthusiastic and ambitious candidates, however, stagnant growth and missed targets coupled with the micro management has eroded the 'cult like' commitment to the org that existed when based in the 'attic' (much smaller up to 8 employees) and growing.

Ideal employee

- Staff informed but not consulted on strategic activities – don't know why CEO left
- Unrealistic targets: Inability to set relevant goals and targets for the Sales – owing to stagnant growth and external investor pressure. Imposed targets.
- *They have a plan', but short of being a 'global player',* employees lack clarity on an operational plan beyond daily tasks. "*How can we make it seem like we're a really big global organisation that know what we're doing without, ………… There's a lot of paddling under the surface'*
- that there is no point in having a '*world-class soccer player'* and giving them a *'rugby pitch'*

Lacking direction

- Staff know what to '*do as an individual, but in terms of the communication, the bigger plans are not always communicated'* – beyond growth aspirations
- Perceived sense of partial truth telling – and a sense pf pessimism is evident: '*We're probably not the number one in the market anymore. But have our senior management realised that yet or not? I don't think they do'*
- *'the overall why are we doing it and where are we going. That's still missing',* there is a sense of 'kicking the can down the road'
- *'when I started, there was such a camaraderie going on, like, a big team, like, we're a team and we're this and we're that and we really want to do well. And we lost that, we totally lost that along the way'*

Lack of expectations – moving goalposts

- 'we're doing this for X (town), we're doing it for Ireland'. 'to be part of this fast growth story'' below market rate salaries' are acceptable 'because they are passionate about the product and the company'
- Promote from within
- There is a gap – a sense that sales '*are incentivised with commission but not everyone is motivated by money and I don't think they really understand that'*
- Lack of credibility reduces relevance (staff pay less attention)
- The explanation for the changing contracts was seen as 'The greatest load of Bullshit I ever heard'
- Staff feel they were 'sold a dream' (C2SD3JJ) on entry to the organisation, and the 'rose tinted view' is failing to materialise, which is partially attributable to a lack of organisational growth
- A feeling of 'trust' has been lost by the negative labelling

Goodwill in pockets – sense of community

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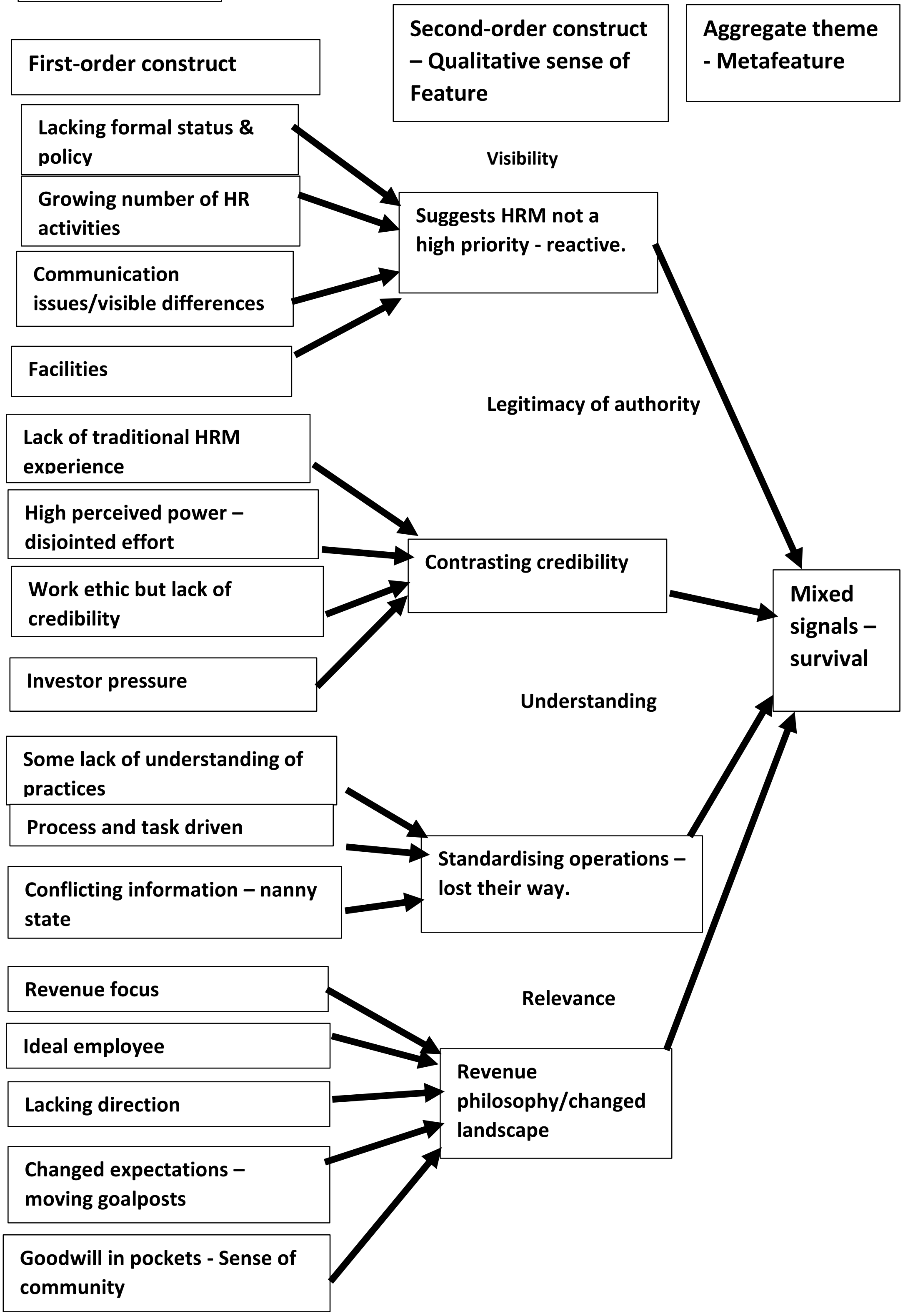
[24] Relevance is summarised and grouped primarily from the 81 entries in NVivo. The key descriptors are: 'individuals see the situation as relevant to an important goal', 'motivational significance', 'individual and organisational goals', 'willing to work towards goals', 'perceived power of influencing agent', 'when people are more outcome dependent, particularly when the outcomes are relevant, they direct more active attention to the person or source'.

In summary, at a higher-order level, there are sufficient distinct features that provide the medium through which the required message is delivered, staff is able to articulate the high quality strategy. Traditionally, a strong brand with global prospects that believes in enhancing staff capabilities and career opportunities is sufficient to build a ‘cult’ like affection for the product and brand. This is enabled by recruiting ‘enthusiastic’ staff for ‘good jobs’ in the region. While the same HR practices are available to all functional areas (TE, OPs and Sales), they adopt a different approach and application of HR practices. In general, the organisation has adopted a commitment based HR configuration, with autonomy, challenging work, collaboration, team-work, intrinsic satisfaction, broad development and inclusion at the heart of their philosophy, however, this has begun to change under the strains of growth and external investor pressures. Upon closer examination, there are mixed messages provided for the different staff groups. A motivation to achieve this is being undermined by the changes to customary practices such as flexibility. The distinct message (reflected in the employee of the year award) that surfaces is a prioritisation on ‘*revenue, revenue, revenue’*, that’s all that matters, ‘*whatever it takes’*. The result of this are examples of below-cost selling and discounting which undermines a high quality strategy. While many of the traditional commitment based practices and distinct features remain for both the TE and Ops functions, it has become more akin to a productivity-based HR configuration for the ‘newbies’ (in particular for Sales), with more micromanagement, increased formality, less flexibility, unrealistic performance based rewards and less development opportunities; resulting in a poor climate and low morale within this group. With management adopting their own distinct style and approach, employees are getting mixed messages. However, a lack of credibility in some areas (Sales) means employees pay less attention.

The table 6.10 below summarises the key distinctiveness findings of TalentCo

Table 6.10



[25] Distinctiveness; definitions: Visibility, legitimacy of authority, understanding and relevance increase ‘the probability that the HRM message will be encoded and interpreted uniformly among employees’ (Bowen and Ostroff, 2004). Summary:

6.5.2 Consistency

The previous features of visibility, understanding, legitimacy of authority and relevance draw attention to the message and increase the likelihood that it will be interpreted uniformly, however, for employees to continue to respond uniformly, there must be consistency over time, among people and across contexts. According to Bowen and Ostroff "shared meanings cannot be developed unless most or all employees are subjected to and can perceive the same practices" (Bowen and Ostroff, 2004, p. 208/9). The danger is that high consistency may not be a positive if people construe events the same but this is the wrong or unintended interpretation of what is required. Two fundamental things are required here; that employees have "adequate and unambiguous information" and secondly, that they have the "skills necessary for its satisfactory construction and execution" (Bowen and Ostroff, 2004, p. 209).

The findings and analysis considers how consistently the message of high quality is conveyed over time, and across the functional areas. This section analyses if the features of consistency impact the delivery of the intended message and how they affect employee attributes of motivation and commitment.

The prominent issues with consistency are that managers appear to manage in isolation, working out individually what is best for their team. In some respects, this is welcomed because they know and understand their teams (TE and OPs) (cf Harney and Jordan, 2008), however, those treated less favourably are envious of others (see discussion on consensus above). A sense of loyalty and organisational citizenship were evident with a 'cult' like culture in the early days, however, following the rapid expansion, and in the last two years, pessimism has set in and there is a '*black cloud'* hanging over (TalentSaleMM). There is commentary to suggest that the newbies are not '*trusted'* and their treatment impacts the values placed on staff and staff morale in general. This is manifest in high levels of absenteeism, staff turnover and abuse of flexibility in sales indicating a lack of motivation and commitment in this function.

An important point in the consistency section is to highlight that some groups (OPs and TE) are still quite content and have practices in place that remain consistent and effective in eliciting the required behaviour, but this is mainly attributable to their manager's style. While consistent with its prominence at HQ, a heavy focus of commentary thus far concentrates on the issues at play with the sales division, however, the other functional areas have maintained their approaches to how they manage their staff, with the same managers in situ. The CTO and Head of CSM, have continued with their approaches, with continued flexibility, greater autonomy and collaboration.

6.5.2.1 Validity and Instrumentality

Based on Bowen and Ostroff's framework (2004), consistency between management's intentions and the HR system are likely to be increased where features of validity, instrumentality and consistent HRM messages are present. [26]In examining the validity and instrumentality of the HRM system, the analysis considers the HR practices.
Prior to the stepped growth phase, the normal approach was to recruit through word of mouth. This was successful as it enabled a greater assessment of suitability in terms of capability and person organisation fit. It was a more organic approach and occurred over a longer period of time. However, with expansion, TalentCo turned to various forms of recruitment for the sales division such as advertising, word of mouth, agencies and a government scheme which resulted in one intake to the sales team of some 12 staff. The standard selection process involving two formal and one informal interview has remained consistent over time. The priority for selection has always been that candidates have the right '*attitude'* and *'personality'*. The traditional approach with gradual growth has remained in both the TE and OPs sections to good success, however, in the Sales division, right attitude and personality proved insufficient, and capability and experience was a necessary factor. The MD feels they didn't have their *'criteria nailed'*, and rushed in a response to investor pressure to grow a sales force. There are strong views within the organisation that the recruitment drive was not a success. There are suggestions that reliance on the grants scheme (Job Bridge - government subsidised scheme for hiring unemployed) was not successful and they should have '*had brought in smaller numbers and had kind of gave a better training'.*

Generally, a lack of structured training implies a lack of valid training. Training is ad hoc and not tied to any formal review. Many staff feel that management would support training

[26] Similar to the previous chapter the features of validity and instrumentality are treated together. Practices are perceived as valid if they achieve what they propose to do. Practices are instrumental if they direct employees' behaviour as intended. In examining the validity and instrumentality of the HRM system, the analysis considers the HR practices.

should staff wish to attend externally, however, staff are still waiting on a requested excel training. For new staff, what has worked well, but by its nature is not consistent, is on-the-job work shadowing over a number of weeks (TalentOPsMM). Compounding this issue for inexperienced sales staff is the perceived lack of an appropriate training schedule, '*there was no infrastructure there to support the new guys who started',* and they were assigned to a mentor, but the mentor's sales target did not reflect the burden and the new staff felt they began to *'resent'* them a bit (TalentOPsMM).

There are strong views that management lacks sufficient knowledge and experience in managing at the level they are at. '*Yeah, just in terms of staff development, there's not a lot there, you know. I suppose we've put several people in sort of … Management are in team lead positions with no training or kind of experience to help them with that, and I would include myself in that, I'd include, you know, even X, to a certain extent, you know, so, the CTO. I don't know that he has any particular experience with actually managing people'* (TalentTEMM). Management actions are not instrumental if they lack the knowledge and training to achieve their intentions.

There is very little evidence of formal performance reviews across the organisation. However, in addition to the CRM system information; close working relationships with few layers and regular contact ensure management are aware of performance (proximity enabled), although, as illustrated, this does not imply that this awareness is acted upon. Staff in sales would like to see more constructive feedback, and the fortnightly meetings are not seen to be constructive, but more a review of sales and '*you're literally taking your ten most senior staff into a room for an hour to do something that they don't need to be there for'* (TalentSaleMM). The meetings and updates are not instrumental in achieving the '*small steps needed to get to the targets'* (TalentOPsMM), the 'what' figures are evident but the 'how' is missing from meetings. In terms of how jobs are designed, with the introduction of the standard CRM system (Capsule), there has been a gradual move to standardising sales processes and presentations in the organisation, which prove instrumental in terms of quality owing to repetition.

Rewards are valid in the sense that the methods (MBOs and targets, incentives and commission) make sense for the work, i.e. people know what they get paid for and know what they need to do. However, the targets are not valid if unrealistic, and thus are non-instrumental in eliciting appropriate behaviours. Instrumentality can be obvious with sales roles, however, other areas can be less straight forward. “Perception plays a central role in instrumentality because it emphasises how employees anticipate likely consequences of behaviour. Instrumentalities are shaped largely by reinforcement consistency and are established by consistency and repetition over time, particularly through application of reinforcement principles” (Bowen and Ostroff, 2004). This is a problem with little consistency between underperformance and actions taken which in this case has led to an escalation of staff taking liberties. This has contributed significantly to the division between the historics and the newbies. For summary table of Validity, see Table 6.5 below, followed by summary table for Instrumentality (Table 6.6 below).

Table 6.5

Validity[27]

Key findings

First-order construct - validity

- Performance appraisals introduced but seen as a chat and not linked to development plans
- 'The salespeople who were brought in don't have the qualifications to be salespeople', -they may have been better advised 'instead of hiring ten people, they should have hired five people with sales experience'. Passion and enthusiasm at expense of knowledge, skills and experience, proved insufficient – with '50/50 success rate' (MD)
- Training – there is 'no special person who would do the training and it was a mess'
- Training ad-hoc and reactive not centralised , dependent on functional manager
- Unrealistic targets for Sales and newbies (not necessarily intentional) - *'small steps needed to get to the targets'*
- Placing staff in roles not applied for or interested in.
- The lack of consistency and validity of the R & S process with T & D over time has undermined the credibility of the management team

→ **Partial validity**

- Introduction of CRM (Capsule), PAs, inductions, staff events and regularity of meetings
- Recent increase in formality (CRM) likely to bring greater consistency in service delivery by standardisation of activities (SOPs)
- Bi-weekly meetings are seen as reporting mechanisms. *you're literally taking your ten most senior staff into a room for an hour to do something that they don't need to be there for',* thus, these meetings are informative but not consultative (Wilkinson et al., 2007), highly visible, but not always constructive.
- No time allocation for training colleagues.
- Training of newbies inadequate – 'overwhelming', a 'mess'. *'I actually don't know what I'm meant to be doing from one end of the day to the other sometimes.*
- *In summary, 'people are definitely important, but the actual development of those people, I don't think, is given quite as much priority as it should be'.*

→ **Growing sophistication**

- Lack of action taken for underperformance: *'Nothing's done if you don't meet your targets kind of thing, just sweep it under the carpet'*.

→ **Lack of accountability**

[27] Validity is summarised and grouped primarily from the 130 entries in NVivo. The key descriptors are: 'what they purport to do and what they actually do' and 'signalling to employees what KSAs are valued'

Table 6.6

Instrumentality[28]

Key findings

Key findings	First-order construct
- Introduction of formality – Capsule (CRM), all activities are recorded – standardisation - Processes and templates for tasks are available, however, a lack of reinforcement or action for non performance reduces consequential effects of behaviour - Example: Performance reviews introduced but seen as a chat.	**Developing processes – standardisation**
- More commitment based HR configuration for OPs and TE leading to desired motivation and commitment – job design (autonomy, challenging work and collaborative environment. Promote from within. - As opposed to higher turnover, increased absenteeism, lower organisational citizenship and loyalty from the newbies (primarily junior Sales), from more micro management productivity based practices - Micro management of newbies resulting from poor performance – fuelling a divide between staff (perceived reduction in trust) - Senior managers adopt individualistic approaches and reward based on their area. However, organisation wide awareness of necessity for revenue influences behaviour. - Bi-weekly meetings elevate KPIs focused on sales. - As sales has plateaued, the enthusiasm of new recruits is short-lived. - Targets are not influential if unrealistic – and generally imposed.	**Rewarding behaviours differ**
- Employee of the year award – consensus on the one who generates the most revenue - Big idea known, growth intentions conveyed regularly, but lacking plans: the 'what' exists but the 'how' doesn't - '*small steps needed to get to the targets'* - Revenue focus – undermines quality focus and development opportunities - *Big brother* undermines effort as *'they feel likethey're being watched or being, not getting flexibility the other way'*	**Opportunities undermined**

[28] Instrumentality has been summarised and grouped primarily from the 108 entries in NVivo. The key descriptors are: 'desired content focused behaviours', 'adequate incentives', 'likely consequences of behaviour'.

6.5.2.2 Consistency of HRM Message

The objective for the presence of a consistent HRM message is to avoid double-bind communications by ensuring that the inferred message and values match the enacted message and values, achieved through the medium of the HR functions and their associated practices. In line with traditional assessments of strategic HRM, this section includes an evaluation of 'fit'; assessing how well "practices are aligned (1) with the key business goals by eliciting important workforce attributes and (2) with one another" (Samnani and Singh, 2013, p. 132). The objective of alignment is performance advantages from practices that elicit and reward appropriate employee behaviours (cf Schuler and Jackson, 1987; Baird and Moushlam, 1988).

A cause of concern for TalentCo is that a lack of motivation and commitment in service-based organisations "where rapport is more often needed between customers and employees, can result in poorer services provided" (Samnani and Singh, 2013, p. 138). Consistency is also a challenge in a rapidly growing company as the longer an approach is established, the easier it is to maintain.

This section examines the HR functions and their associated practices and how they align with the organisational strategy and with each other. In order to examine for fit, and following the approach of Samnani and Singh (2013), the researcher has called out the HR practices for clarity and analysis.

6.5.2.2.1 Recruitment and Selection:

Recruiting staff that are highly passionate and enthusiastic about the brand will likely yield a greater commitment and motivation to deliver high quality and represent the brand well. The MD has always *'hired people for their personality'* and not necessarily hired '*professionals for a job*' (TalentOPsMM). Recruitment in the early stages was very much through word of mouth and they had greater time to gauge capability and person organisation fit, however, the recent round of recruiting internal sales staff placed too much emphasis on the personality to the exclusion of experience and capability. The former targeted an intensive sophisticated selection process (3 rounds) is aligned with a high quality strategy, however, for many reasons, these standards have dropped with the recruitment of the new sales force. Availing of a government initiative (Job Bridge) to save finances is out of alignment with the pursuit of high quality and more akin to a low-cost productivity-based HR configuration.

TalentCo has failed to strike a balance between hiring inexperienced albeit enthusiastic internal sales staff and compensating by investing sufficiently in training and development. The result is high turnover, lower performance (not hitting targets), increased absenteeism and most importantly, an increase in micromanagement. Thus, the historics attribute a change in practices to the poorer performance of the newbies, causing an increase in the divide and low morale at HQ. It may '*have been a lot more beneficial for those people if they had brought in smaller numbers and had kind of gave a better training'* (TalentSaleEM).

6.5.2.2.2 Training

Talent Co has traditionally adopted an on the job trial and error approach preceded by work shadowing. There is some evidence that this worked well for staff as they had time to practice and internalise the learning. Nevertheless, a lack of performance reviews and subsequent career planning suggests a lack of 'extensive training, learning and development' opportunities necessary for a high commitment strategy (Pfeffer, 1998). Although, in some cases 'selective hiring and intensive selection' (Pfeffer, 1998) may compensate for a lack of training, in this case, TalentCo prioritises the 'person' over the 'skills' and experience when recruiting, thus compounding the need for a structured approach to training.

While management may respond positively to requests for training, it needs to be directed by staff. When it came to an update on the CRM software, a new feature that was seen as '*huge', 'going to open so many doors and make all our deals much, much bigger and yet we, I had to go off and learn all about that myself*' (TalentSaleMM). Thus, there is an inconsistency between a high quality objective and a lack of training. Selling a '*dream'* of career prospects is also undermined by a lack of development opportunities. A lack of training is at odds with offering job autonomy, further compounded by a concern that '*management are in team lead positions with no training or kind of experience to help them'* (TalentTEMM). In summary, '*people are definitely important, but the actual development of those people, I don't think, is given quite as much priority as it should be' (TalentTEMM).*

6.5.2.2.3 Job Design

Senior management of TalentCo believe that a highly committed workforce will lead to a high quality customer service. In order to achieve this commitment and motivation, and affection and loyalty for the brand, senior management have offered greater flexibility to staff in terms of both how they do their job and flexi-time. TalentCo achieve many of the policies that support a high quality strategy, as prescribed in the literature e.g. "relatively explicit job descriptions; high levels of employee participation in decisions relevant to immediate work conditions and the job itself; and some guarantees of jobs security", yet this is being undermined by a lack of "extensive and continuous training and development of employees; a high concern for process" and most importantly a questionable, or at least potentially undermined, "commitment to the goals of the organisation" (Schuler and Jackson, 1987).

With growth has come the implementation of the CRM system (Capsule). This system offers an ability to monitor staff activities including calls, pilots, demos, emails and sales. They have also moved to standardised sales pitches with the use of common presentations and the storage of shared templates in Dropbox.

Senior management would suggest that provided staff are bringing in the money, management are satisfied, to the extent that '*Like, we have always been told, you know, it's, as long as you come in, if you come in and do four hours' of solid hard work, you can go home in the afternoon if you've done four hours of solid hard work'* (TalentSaleEM). Although this sentiment is evident in some cases, the stagnant growth and underperforming sales team has led to an increase in monitoring of staff activities and withdrawal of flexibility. By contrast with the above staff quote, the very same person (TalentSaleEM) was questioned about the length of their tea break, *"A 20-minute tea break? Are you kidding me?"* by the office manager even though they had their laptop with them.

In order to achieve a high quality strategy; as an example TE are achieving it with greater collaboration on consumer and client experience, and thus they respond with design and development solutions based on feedback from the different teams especially the CSM/OPs team. By contrast, the change in the approach adopted within sales is affecting motivation; meetings were more constructive and focused on collaborative ideas and solutions, whereas over time they have become more of a reporting and monitoring mechanism, '*what we could be doing is sharing best practice and sharing our positives from the week or from the prior week, you know, and that would motivate me more than running through a list of a pipeline* *that again is in the CRM system for everyone to see anyway.*' This is symptomatic of a 'nanny state' or 'big brother' climate emerging, and negatively affects motivation. If management do not change their approach to career opportunities, '*people are just going to keep leaving'* (TalentOPsMM).

6.5.2.2.4 Performance

Although there is little evidence of formal performance reviews/appraisals; the CRM system, the closeness/proximity of managers and the few layers ensure awareness of performance is high. Regular sales meetings ensure that KPIs are continuously monitored. Close monitoring of quantitative performance is evident, with sales measured on a number of activities such as emails, pilots, demos and actual sales. However, qualitative features are more difficult but are ascertained by reviewing renewals (CSM) and feedback from clients. Large client wins and positive feedback is shared across the organisation with acknowledgment from senior management.

Performance of TE is evident from the '*stability*', '*robustness', 'added features'* and most importantly for TalentCo the '*reliability*' of the product, recorded by assessing the maintenance records and client feedback. However, a lack of formal performance reviews means that feedback is ad-hoc and fails to provide a basis for training and development plans. Similarly, rather than just quantitative assessment of sales; sales staff are looking for more qualitative/developmental feedback.

There is some strong evidence of intrinsic satisfaction among the historics, the TE team and the OPs team, given their commitment to growing the organisation and its brand, along with the quality of the client and consumer user experience, but not so for newbies evidenced by increased absenteeism. These features ensure a solid alignment with a high quality strategy.

6.5.2.2.5 Rewards

Nominally, the rewards at HQ are considered low for the industry but relative to the geographical location are *'fair'* (TalentOPsMM) and summarised as '*good jobs'* (TalentOPsSM) for the region. By contrast, the off-campus rewards are closer to market rates as they compete in a highly competitive urban environment. Although rewards are consistent with an incentive based pay scheme, they are not above average.

Setting targets has proved difficult with stagnant growth and is causing high levels of frustration among some. With the exception of the newbies, staff are involved in setting targets and junior sales staff not hitting sales targets has proved a real demotivation. One of the biggest potential rewards that were sold to employees is the opportunity to grow their career opportunities with the organisation and that they were getting in at a good time, for some this does not appear to be materialising. However, the TE team (off-campus) are strong in their praise of their learning and development opportunities, intrinsic satisfaction and it being highly motivating, summarised by one: *'I'd say because of the experience that I've picked up here, my market value has certainly gone up a lot so that's something TalentCo has definitely given me. If I ever need to leave or want to leave or anything, my market value has improved by, I'd say, at least 10,000 a year. Now that would have been impossible at my previous place.'* (TalentSaleEM).

Unrealistic sales targets set by consultation between senior management and the investors, has led to a reduction in motivation and commitment to high quality. The risk associated with such targets is that some sales staff **'***would undersell or they would oversell or they would, you know, just throw in a whole load of freebies. Like, the worst thing, I truly think the worst thing is just about revenue, revenue, revenue, whereas if it is a premium product and you sell it for, you know, really, really low, you are losing the quality aspect'* (TalentSaleMM).

There are practices such as circulated emails to acknowledge important achievements. Praise and recognition are important, however, they appear inconsistent at HQ. There is favouritism; '*some are more equal than others*', and as an example**; '***so my salary has been flat even though we got investment and I know that lots of other people in the company got pay rises even though we were not meant to….'* (TalentOPsSM). Training and development opportunities do not compensate as anticipated for the lack of basic rewards at HQ.

6.5.2.2.6 Employment Involvement/Communication

The objective to build a workforce with a strong passion for the brand has not been maintained throughout the growth phase in all functional areas. The philosophy was to provide an exciting opportunity affiliated with a 'cult' like loyalty to the brand where staff were 'trusted', and provided with autonomy in return. However, with the rapid expansion and round of investment, the narrative suggests a drop in morale amongst the Sales team with a growing divide between historics and newbies. '*Tension*' exists and it is impacting the climate and atmosphere.

TalentCo suggests that one of their competitive advantages is the quality of their back up and support services. Whether clients renew contracts largely depends on their level of usage and experience in using the product, and this is best achieved by collaboration between the CSM (Ops), Sales and TE. Thus, they must work closely together, but relationships have broken down particularly between CSM (part of OPs) and Sales. Also, sales staff feel there is an open door policy in place and management are approachable, nevertheless, the staff's perception is that they listen but don't act.

Irrespective of how any manager manages their team, and there is a lot of positive feedback for the different managers including in TE and OPs, however, the perception of staff is that ultimately all important decisions go through the MD. Interestingly, the MD got rid of the newly appointed CEO placed by the investors. Assertions by the MD imply self-confidence of his expertise and that he is now determined to get staff to follow his decisions, suggesting a lack of employee involvement going forward. The drop in morale is well summarised by the following quote:

'Like, I'd love the culture to be the same as what I had in my head when I started, like, when I started, the company culture was, like, I came home and my husband said to me, "I actually can't believe, I haven't seen you this happy in a long time." You know, I was buzzing…… Absolutely buzzing about the company, about the people, about the opportunities, about everything and now I go home and I'm like, "Oh, I actually don't know what I'm meant to be doing from one end of the day to the other sometimes." (TalentSaleEM)

In order to assess consistency and fit within and across HR practices, the researcher follows the work of Samnani and Singh (2013) by presenting the findings using a fit matrices, see appendix 6.2. This allows an assessment of the greatest consistencies and inconsistencies. In a practical sense, it provides organisations with clarity on where improvements can be made. For a summary table, see table 6.7 below.

Table 6.7

Consistency of HRM message[29]

Key findings

First-order construct

- Partial Alignment Vertical and Horizontal Alignment - See tables VA and HA – Appendices
- Lack of internal consistency HA – Lack of alignment between extensive search and selection yet unplanned training. Compounded by choosing the 'person ' over 'skills' and 'experience'.
- The MD has always *'hired people for their personality'* and not necessarily hired '*professionals for a job*' - they should have '*had brought in smaller numbers and had kind of gave a better training'.*
- Rose-tinted view: 'false perception of the company being big', 'on the surface, they want to be this, this lovely, trendy young company, but they're not following through with that …'. 'Nanny state' undermines the image sold on entry.
- Performance reviews seen as a chat and not resulting in training.
- Lack of action taken for underperformance and missed targets
- "*How can we make it seem like we're a really big global organisation that know what we're doing without, ………… There's a lot of paddling under the surface*'.
- Both the TE and Ops functions experience more commitment based practices (attributable to their individual managers) whereas Sales in recent times experience more productivity based practices. Productivity based is reflected in more micro management, top down (autocratic), longer working hours, increased tech support hours for clients, less flexibility, unattainable targets for the most part.

Internal challenges

- 'Getting in money at all costs', 'whatever it takes' is the priority which potentially undermines the HQ strategy – resulting in 'discounting', 'below list selling' and some sales staff 'would undersell or they would oversell or they would, you know, just throw in a whole load of freebies.
- High quality strategy – undermined in short term by financial pressures from investors
- It could be suggested that the greatest inconsistency found is between the recruitment of inexperienced staff, short term training and an expectation of high quality service.

External Challenges – imposed

- Inconsistent application of HR practices leads to tension between groups – historics and newbies (newbies have poorer terms and conditions), withdrawal of flexitime and introduction of nanny state is attributed to newbies exploiting the flexibility and under-performing.
- The problems arise when historics 'don't think management trusted them (newbies) enough to follow that example that was led by the older people, so they have kind of cut down on the flexibility'
- Labelling newbies and historics – different terms suggest newbies are not 'trusted' manifest in increased absenteeism, staff turnover and abuse of flexibility
- TE and OPs – Commitment based HR configuration consistent with high quality strategy
- Sales – productivity based HR configuration inconsistent with high quality strategy
- With a continuation of a nanny state for some - '*people are just going to keep leaving'*

Division/fracture of relations

- Individual management styles and lack of consensus affects practices applied by managers – MD (Sales function) autocratic versus democratic (TE and Ops)
- Favouritism: '*some are more equal than others*' (George Orwell).

Lack of consensus

[29] Consistency of HRM message has been summarised and grouped from the 180 entries in NVivo. The key descriptors are: 'compatibility and stability in the signals', 'stability over time', 'espoused values and inferred values', 'practices that complement one another and fit together', 'across modalities and time'

6.5.2.3 Consistency Conclusion

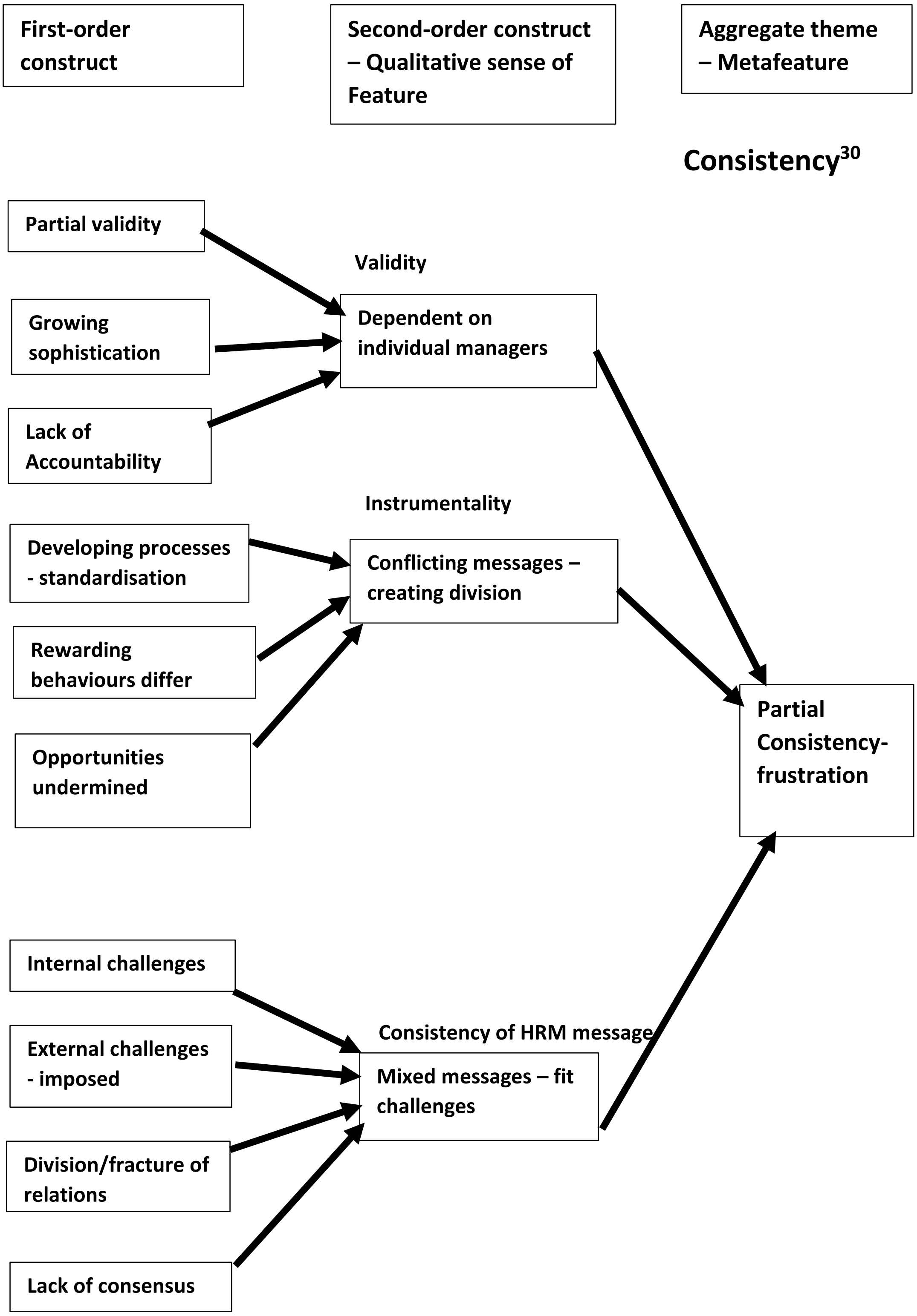
On the surface, many of the practices adopted suggest a commitment type of HR configuration. Before the rapid growth, and from the historics, there is a suggestion of high levels of trust and loyalty across the organisation. Staff is motivated by the opportunity to be part of the success story and the learning opportunities. These practices are associated with the TE and OPs functions, and also with the historics, however, for the newbies and the junior sales team (Sales), it is emerging that practices are more productivity-based, evident by a more micromanagement approach. This micromanagement is spreading throughout HQ resulting in divisions between staff, '*management would trust the older generation a little bit more with the hours of flexibility because they know, well, they have proven themselves they can get the money in, and once they can get the money in, you get that flexibility and trust.'*(TalentCoOPsMM*).* This suggests a lack of consistency between how groups are treated.

It could be suggested that the greatest inconsistency found is between the recruitment of inexperienced staff, short term training and an expectation of high quality service (implying a fractured vertical alignment in realising strategy). Many of the challenges to consistency come from the division between different functional areas and between the historics and newbies. Commentary suggests that senior managers adopt their own style, further creating an inconsistency between how groups are managed. Appropriately, attention turns to consensus in the next section, as it is difficult to achieve consistency in enacting practices if there is no consensus among management and they adopt their idiosyncratic approaches to managing their teams.

A clear message that is spreading throughout the organisation which is reflected in responses to the employee of the year question, where there is a strong consensus that it would go to the one that generated the most revenue. A pursuit of sales at all costs is potentially undermining a high quality strategy. They claim that they won't drop their standards and if a client doesn't want to pay, that's fine, however, evidence of '*discounting'* and '*below list selling'* is seeing a change to this (TalentsaleMM). It appears that the external financial pressures are affecting their ability to apply consistency.

The table overleaf (6.11) summarises the key consistency findings.

Table 6.11



[30] Consistency; definition and key descriptors: 'a consistent pattern of instrumentalities across HRM practices, time, employees that link specific events, and effects further enhance the likelihood that desired specific behaviours will be displayed' (Bowen and Ostroff, 2004).

6.5.3 Consensus

Consensus is likely to be strong where there is agreement among principal HR decision makers and the system is perceived to be fair. The objective of consensus is that "agreement among top decision makers can help foster greater consensus among employees, since it allows for more visible, relevant, and consistent messages to be conveyed to employees"' (Bowen and Ostroff, 2004, p.212).

As the organisation grows, the emergence of individualistic management styles proves challenging for shared meaning. A widespread view is that the end goal of 'revenue' is all that matters, but a lack of consensus on how individuals and their team achieves this or contributes to this is lacking.

6.5.3.1 Agreement among HR Decision Makers

"Agreement among these message senders helps promote consensus among employees*"* (Bowen and Ostroff, 2004, p. 212).

Widespread challenges exist as the organisation grows, formerly when there was only 8-10 staff in a tight office space ('attic'), there were very few layers and everybody was aware if they were not involved in decisions owing to proximity and close working relationships, common to small firms (McClean and Collins, 2018). With gradual recruitment and the use of word of mouth; building strong bonds and a 'cult' like culture promoted greater agreement between managers. However, this is changing as managers implement their own style and approach to managing their team. One senior manager alludes to the lack of consensus or agreement in a standard approach: '*it's very sectionalised, the management, so there's not an overall strategy, a sort of an overall general idea of, "This is how you're meant to be managing people," so it's like each department almost has its own, completely own autonomy as to how do they want to manage. And with varying results'* (TalentOPsSM). With this acknowledgment, it becomes apparent the challenges faced for employees to interpret the same meaning, and it undermines the objective of collective as opposed to individual interpretations.

While many of the practices such as recruitment and selection, and rewards are centralised, training, performance and employee relations/involvement are generally the responsibility of the individual managers. It is important to say that while managers differ in style, there is widespread consensus that management operates an open door policy and wish to be seen as approachable, '*Yeah, I think so, especially in my department, like, I am one of the most junior members of staff, but I don't get treated like that ever and that's something that I have noticed the whole way through since day one' even from the MD'* (TalentSaleEM).

The styles of the different managers have a major impact on staff perceptions, and as previously alluded to, the greatest divide is between how the SD team is managed compared to both the OPs and TE teams. There are strong views that the MD (also in charge of sales) and their team are poorly managed. It has been suggested that '*they don't really have experience in management….. I think they just see it as a one size fits all a lot of the time*' (TalentOPsMM). There is a sense that within sales, there are 'favourites' and some *'get more help'* than others (TalentOPsSM). While the MD is seen as open and approachable, however, he is only interested if it is '*directly related to generating revenue'* (TalentOPsMM). By his own acknowledgment, it has been a learning curve, and following the removal of the CEO placed by the investors in the organisation, his confidence has grown, he suggests that he is one of two with '*most experience in this space'* in the '*world*'. This has led to a change in styles and he suggests that '*I think over the last few years, we have always looked at taking people's opinions on board, but it's probably at a stage now where it's, like, "This is what I need you to do. Just please get on with it," and it's probably ruffled a few feathers as well, I would say, with some people, would be my guess' (MD).*

This is coupled with a growing input from the office manager who he relies on as a sounding board, leading to the office manager taking up residence in the sales room. This has elevated the office managers influence over how the team are managed and comes through in the increase of micromanagement. The office manager's views are summed up in their own words; '*No, I don't think so. You know, if I have concerns about people and they're not coming in, you know, on time and they're leaving early, you know, I'll mention it, you know. The direct line managers say, "Well, you know, he's doing his job so there's no issue." But for me, it's not about whether someone is doing their job. It's how they are perceived by the people around them' (TalentOPsMM).* This is reflective of the growing perception of 'big brother' and 'nanny state' emerging, with the placement of the office manager in the open plan sales office and emails to staff commenting on the length of their coffee breaks.

The office manager adopts a more formal style and this is symptomatic of the increase in monitoring and a reduction in flexibility. In most cases staff would rather deal with their own manager than with the office manager particularly when it comes to personal matters and holidays etc., they are seen as quite formal, and staff use *'very different terminology' (TalentTEMM)* in dealing with her. Although she covers holidays, '*She's not a HR person. She's an office manager'* (TalentOPsMM). Staff feel they cannot confide in her and, '*Like, I don't think any, anything that's ever happened in a meeting is 100% confidential. But again it's because we're a small company (*TalentOPsMM). The office manager is seen as one of the main reasons for the reduction in flexible working terms of the staff. The office manager shows her contrasting style in the following quote:

'*Yeah, and I love the flexibility of it too although I'm not one of these person that are … You know, I'm here at half-eight in the morning, I'm here at half-five in the evening and I sometimes feel that I've got four kids, if I can do it, the young ones can put a bit more effort in.'*

By contrast, the head of account management (client success team) is seen as '*a good manager in that she likes to empower people but she's there as a kind of a backup and a kind of a support as well'*, her '*intentions are very good'* and staff feel '*lucky*' to be in her team because *'she treats us all the same'*. Whereas, '*other people might be managed in a little bit more of a kind of a micro-managed sort of way'* (TalentOPsMM).

Similarly, the head of marketing *'fully trusts me and X, so we can kind of do what we want because he knows he never needs to like, crack the whip, whereas I feel like, maybe management don't trust some of the other group. Does that make sense?*' (TalentSaleMM). Given his flexible approach, '*They're all very jealous of our department'* (TalentSaleMM). Similarly, the CTO, is '*very open, very friendly, very easy to work with. As I say, he definitely puts people first.*' (TalentTEEM). And he '*places a very high priority on the general happiness of the team'* (TalentTEMM). He shows flexibility with respect to personal issues and staff *'can't see any preferential treatment at all' (TalentTEMM).*

The outcome of the contrasting views leads to a lack of consensus among the perceptions of staff: is it high quality or clocking in the hours? A relaxed self-managed flexible approach existed for staff and is what new staff were sold on entry to the organisation. Characters were recruited to fit this environment whereas the message has changed and is leading to a drop in morale and motivation.

One employee working under the relaxed flexible style depicts the significance of the style adopted by their manager, '*There is no such thing as clocking in or clocking out or like, feeling like you're in school. And like, me and X work probably more for him because of that.'* They continue by suggesting that *'Flexibility has to work both ways, so like, at, this, particularly in the beginning, because I started with that group, like, I hear obviously a lot of what the giving out is about. At the start, everyone worked weekends and not even worked, but just was like constantly online or like, tuned in. Whereas now I feel it's that attitude of, "Well, why should I? I'm out of here at half-five. I'm not switching on my computer for the weekend," because they feel like they're being watched or being, not getting flexibility the other way',* in summary *'They're all very jealous of our department'* (TalentSaleMM). In summary, their motivation and commitment are affected by 'how' they are managed. With contrasting styles we can see a different response from staff, adding to the divide between groups. Reflecting on the consistency feature, a change in the approach over time has led to frustration and withdrawal of discretionary behaviour among groups of staff; it is not what they were used to or recruited for. Summed up by a senior manager:

I think it is safe to say: '*Do managers agree on how people should be managed? No, I wouldn't say so.*' (TalentOPsSM).

For a summary table, see table 6.8 below.

Table 6.8

Agreement amongst HR Decision Makers[31]

Key findings

First-order constructs

- Senior management quote (OPs): 'Do managers agree on how people should be managed? No'
- The MD and Sales is more autocratic and follows more productivity based approach reflected in nanny state, coupled with the elevated status and relocation of the Office Manager into sales environment who follows a similar approach leading to a perception of big brother.
- Evidence suggests the MD has changed approaches, where previously he didn't *'care if you work one day a week, as long as you get your work done*, now, as he is one of the two most leading experts. Now, '*I think over the last few years, we have always looked at taking people's opinions on board, but it's probably at a stage now where it's, like, "This is what I need you to do. Just please get on with it," and it's probably ruffled a few feathers as well, I would say, with some people, would be my guess' (MD).*
- The office manager follows this productivity and autocratic philosophy and even if 'The direct line managers say, "Well, you know, he's doing his job so there's no issue." But for me, it's not about whether someone is doing their job. It's how they are perceived by the people around them'
- The prominent issues with consistency are that managers appear to manage in isolation; working out what's best for their team. In some respects this is welcomed because they know and understand their teams (TE and AM), however, those treated less favourably are 'jealous' of others.

Lack of aligned views

- 'it's very sectionalised, the management, so there's not an overall strategy, …so it's like each department almost has its own, completely own autonomy as to how do they want to manage'.
- The imbedded autocratic management style in sales (newbies) is reflected in the approach by the MD and the Office manager:
  - MD: *"This is what I need you to do. Just please get on with it," or* While the MD *'likes to hear ideas'* but seen as '*very bad in actually listening to them'*
  - *Office manager – 'a micro-managed sort of way'.*
- *In contrast, TE and Ops managers suggest more democratic approach:*

  OPS:

  'a good manager in that she likes to empower people'

  'They're all very jealous of our department'

  TE:

  'So it's definitely not micro-management',

  'I've got a great amount, I've got a huge amount of freedom in my job',

  'he definitely puts people first.'

  'places a very high priority on the general happiness of the team'

  'can't see any preferential treatment at all'
- *The outcome from the latter approach is, the head of X 'fully trusts me and X, so we can kind of do what we want because he knows he never needs to like, crack the whip, whereas I feel like, maybe management don't trust some of the other group. Does that make sense?'*

Individual management styles

[31] Agreement amongst HRM decision makers is summarised from the 115 entries in NVivo. The key descriptors are: 'agreement among these message senders helps promote consensus among employees', agreement promotes distinctiveness 'more visible, relevant and consistent messages' 'integration among HRM professionals, managers and top managers foster', 'disagreement among decision makers is likely to produce poor consistency'.

6.5.3.2 Fairness

“Research indicates that the perceived fairness of HRM affects how positively HRM activity is viewed and the capability of the HRM system to influence employee attitudes and behaviours” (Bowen and Ostroff, 2004, p. 212). Fairness is assessed based on three dimensions of justice: distributive, procedural and interactional.

6.5.3.2.1 Distributive Justice

Distributive justice is achieved if employees feel rewards are distributed fairly. As evident throughout the findings, there is a strong perception that sales and business development (Sales) get the majority of attention, ‘*the only thing that people really get measured on is sort of the how much, how much revenue they generate. The, I would feel very sorry for the development team because they probably wouldn’t be in the mix at all because they would just, they would be looked at as a cost’ (TalentOPsSM).* When asking the question about who or where would an employee of the year award go to, it became obvious that it would go to the one that generated the most *‘revenue’*, in summary, ‘*more attention is diverted to sales’* (TalentTEEM). The two main reasons for this is that the MD is from a sales background and sales growth and development is seen as the priority for growth by the MD and the investors.

Not only is more attention shown to sales, but equally there is a lack of consistency in treatment within sales: ‘*there’s favouritism, yeah, and it’s blatant, like, there are shopping trips organised for outside of work and, like, they are clear that they are mates, you know. I’m not a big believer of being mates with your boss’* (TalentSaleEM). Further evidence of a discrepancy within groups related to perceived workload and return: ‘*I’m the only one who has paid for myself as regards bringing in the money, like. And I even, like, our quarterly or our reviews there, we were, only a couple of weeks ago, and I actually asked for a pay rise and they were, I was told they are not reviewing salaries at the moment. Yet I know another colleague got a pay rise, you know’* (TalentSaleEM).

There is a prominent perception of unfairness between the ‘historics’ and the ‘newbies’, with ‘newbies’ incurring longer working hours (up to 5.30 rather than 5pm) and the burden of carrying support hours on evenings and weekends. Further, flexibility and flexi-time were offered, however, this has been removed and is seen as unfair because all sales staff are affected by the behaviour and exploitation from a few. Flexibility was offered to meet individual needs and goals and elicited a commitment to the organisation and the job. Staff carrying support hours which was relevant at first and interpreted as a useful way to become a specialist on the product, however, it has continued and a chosen few newbies feel the number of support hours is inequitable. The quote below captures employee frustration with a lack of consensus, nevertheless, the prospective opportunity is what remains paramount in compensating:

'so my salary has been flat even though we got investment and I know that lots of other people in the company got pay rises even though we were not meant to and they told us that, like, the investment is not meant to go to pay rises, so that, you see, is what I then took and told it to my team, accepting that responsibility and it's that kind of, like ways of going like George Orwell. Like, there is not, you know, some of us are equal, but some are more equal than others kind of thing as well, so I do think … It's a difficult one, because I do think to some degree, I do find I have a really interesting job. I have and for X (Town), because it is very special in X (Town) to have a job like I do. Salary-wise, I'm probably for X (Town). I don't actually know but I'm, I would say it's probably reasonably well-paid' (TalentOPsSM).

6.5.3.2.2 Procedural Justice

Procedural justice is achieved if employees feel the process used is fair. For two of the functional areas (OPs and TE), staff is consulted on their MBOs and targets, whereas the targets are imposed for sales and in particular, for junior sales staff. These targets are imposed from a filtering of the investors' targets. In many cases, these are not seen as fair and are unrealistic to the point that staff has no expectation of reaching them. Those who are more vocal/louder are perceived to get more attention and there is '*favouritism*' shown to some. There is further criticism of how targets are designed and do not reflect the work of staff. Staff is assessed only on '*closing new accounts'* and not '*existing account'* (TalentSaleMM. Newbies (Sales) are frustrated by the way in which their terms and conditions were changed. The biggest problem they had was the way in which it was explained, as employees felt there was no logic and rational explanation provided.

6.5.3.2.3 Interactional Justice

Interactional justice is achieved if employees understand the reasons for certain decisions and they are explained to them. While there is strong evidence of close working relationships; both informative and collaborative in two functional areas (TE and OPs), this is as a result of the individual manager's style. However, generally across the organisation, there are strong views that there is a lack of transparency and information coming from the top of the organisation with respect to decisions: *'We are just so used to not being consistent and not ... It never feels like we're being told the full truth a lot of the time when we're being told things. So it's, it's like, they just tell us what they want us to hear'* (TalentOPsMM).

Staff is aware that there are external pressures as a result of external investment. Staff was aware that a newly appointed CEO joined the organisation as a requirement from the investors. The newly appointed CEO was to take the company to the next level in terms of growth. However, with little explanations provided to staff on why he left, it is understandable that they feel unsure of strategic plans for the organisation.

Earlier findings highlight that a divide has emerged between 'historics' and 'newbies', and this has led to the largest perceived lack of fairness. There have been a number of changes to working hours, employment contracts, targets and levels of micro-management however, this is more evident with the 'newbies'. The result of the impact is a reduction in motivation and commitment, and an increase in a transactional type of relationship. Some disappointments are attributable to the oversell on entry to the organisation, resulting in a perception that it was an '*exciting*' and '*amazing company to work for*' and best summarised by one: '*So I was sold a dream in my interview but you know, I think we were all sold a dream in our interview, I think'* (TalentSaleEM). This candidate albeit *'naïve'* was led to believe that when they '*close a big deal*', they '*all go on holidays together'*. In summary, the rose-tinted perceptions have failed to materialise. For summary table Fairness, see table 6.9 below.

Table 6.9

Fairness[32]

Key Findings

First-order construct

- Good jobs for the locality - Living locally is an advantage
  'ok in terms of the local salaries'
- *'I was told they are not reviewing salaries at the moment. Yet I know another colleague got a pay rise, you know',* similarly, *'so my salary has been flat even though we got investment and I know that lots of other people in the company got pay rises even though we were not meant to and they told us that, like, the investment is not meant to go to pay rises'*
- There is '*favouritism*', and *'some are more equal than others'*
- Sales have targets imposed, however, TE and AM are involved in objectives and targets
- Perceived fairness within two functional areas (TE and OPs) but not so in the largest functional area – Sales – resulting in low morale and motivation. Sales and newbies feel they are not recognised as part of the 'family', and the divide grows, *'So this is what happens and we end up having this whole water cooler bitching session amongst ourselves and it, that just makes the divide even bigger'*
- Rose tinted view of organisation – 'sold a dream' on entry.

Sense of inequity

- Withdrawal of flexitime is contentious – 'There is no more working from home. We have had too many people out sick. …… So we got an email just out of the blue one day and everyone was just like, "Oh crap"'
- Don't know why CEO left
- Targets imposed based on investor pressure - priority placed on end of quarter
- Some getting information second hand – some didn't know MD had a baby in recent days, not shared with staff.
- A central figure to the team who '*in since the early days*' with strong close relations, announced the day she was leaving and was not allowed announce in advance in case it interfered with sales for end of quarter
- Management operate an open door policy, however, not available on site on regular basis.
- Newbies are more micro managed and have targets imposed on them, attributed to a lack of trust for underperformance, resulting in turnover and absenteeism, and 'people are just going to keep leaving'. Some staff getting pay rises and others not.
- *We are just so used to not being consistent and not … It never feels like we're being told the full truth a lot of the time when we're being told things. So it's, it's like, they just tell us what they want us to hear*

Lacking transparency

Comprehension

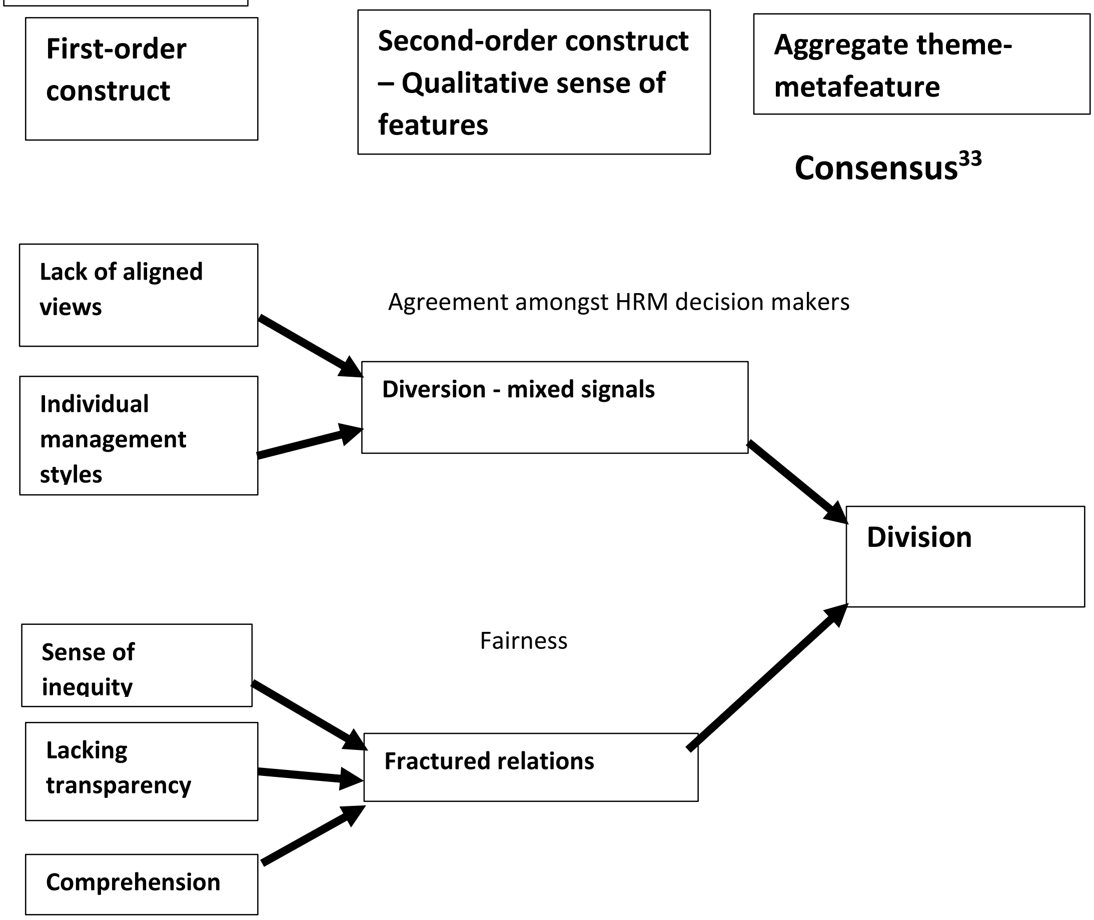
- Reasons for decisions – management of the largest group (Sales) are aware that employees perceive injustice, however, they continue with their recently adopted productivity based philosophy
- Trust and loyalty has been eroded where the commitment based philosophy has been lost - '*management would trust the older generation a little bit more with the hours of flexibility because they know, well, they have proven themselves they can get the money in, and once they can get the money in, you get that flexibility and trust.'*
- Employees don't understand why the CEO (investor recommended) was removed nor what the plans are. '
- Reasons for decisions and changes are not explained well to staff and they are unsure of the strategic plans, eg. why the appointed CEO left, why flexibility has been removed and why newbies are treated less favourably
- In summary: perceived lack of fairness is key:
  'where *staff would have preferred to be told the truth and would have accepted it better'*

[32] Fairness is summarised from the 117 entries in NVivo. The key descriptors are: 'adhere to the principles … of distributive, procedural and interactional justice'. 'acceptability criterion'. 'equality', 'transparency', 'managers' openly and respectfully explaining … the reasons'.

In summary, there is a lack of agreement between decision makers, and they adopt different approaches. With external pressure, there is a change from a philosophy that was more akin to a commitment based philosophy over to a productivity-based philosophy, however, this was not the case for all functional areas. The lack of consensus leads to a lack of consistency in application and leads to a lack of perceived fairness.

Table 6.12 below summarises the key consensus findings in TalentCo

Table 6.12



[33] **Consensus**; definition and key descriptors: 'agreement among message senders can foster consensus' and 'employees receive what they feel they deserve for their contributions' (Bowen and Ostroff, 2004).

6.6 Summary

The HRM process model adopted provides us with a unique framework to examine HR *in* practice rather than just measuring the ‘mere presence’ of practices which sheds little light on the reality and complex context that exists, particularly so in these small firms.

In this case, what is examined is if the HRM system is successful in supporting the delivery of the intended message, thus facilitating a clearer line of sight for employees to the organisations desires for a high quality product and service. The Bowen and Ostroff framework (2004) was used as a lens to examine if the features of distinctiveness, consistency and consensus either strengthen or weaken the transferring of the intended message, not only arousing attention to the message but eliciting the required behaviours to operationalise TalentCo’s objectives. Having reviewed the organisations intentions, the attributes sought in the exploration of TalentCo were motivation and commitment, attributes that would likely lead to higher quality service delivery. At surface level, reviewing TalentCo’s HR practices suggest an HR philosophy to “enhance employee capabilities” (Monks et al., 2013, p. 386), an approach that is deemed would likely lead to greater motivation and commitment. However, upon closer examination the reality that exists paints a different picture, where these practices are not offered or applied consistently to all employees.

Similarly, to CloudCo, the outcomes are not conclusive, yet there is evidence to suggest that that all three process features have an impact, and where all three exists, they further strengthen the transfer of the message. There is greater evidence of distinctiveness, consistency and consensus within both the OPs and TE functions as compared to the Sales function, with the outcomes favouring greater commitment and motivation amongst the two former.

While there are inconsistencies between the HR practices and the strategy (eg. lack of training and development for a high quality strategy), and between practices (poor alignment between recruiting inexperienced staff and not providing sufficient training), taking a higher level of analysis, there are sufficient distinct features for staff to know what the organisational strategy is. Strategically the message is conveyed, and overwhelming evidence suggests that staff is well able to articulate why clients choose TalentCo. Staff is motivated by the product and brand, and the fact that they are a ‘*global player’* and this is a great opportunity to be part of this growth story. In addition, they believe in the TalentCo '*way*' with a '*cult*' like affection for the brand, and a management team with '*good intentions'*; '*People are definitely important'* (TalentTEMM). There is a sense of respect for the MD and his work ethic, but no great affection and some commentary suggests that a lack of experience and management skills is attributing to the lack of structure. Staff is holding onto the '*dream*', and as far as jobs go in the locality, it is a good one (TalentOPsSM). In summary, there are sufficient distinct features that provide the medium through which the required message is delivered, however, there is insufficient consistency and consensus to elicit the required behaviours across the organisation.

While the same practices are available to all managers, functional areas adopt a different approach and application of practices. Both the TE and OPs functional areas have maintained greater consistency and use of practices over time; practices that traditionally motivated staff such as autonomy, challenging tasks, intrinsic rewards, development opportunities, collaboration and a positive working environment. In contrast, the Sales function has applied less consistency over time and with lower consensus; resulting in a move to more micro management, less flexibility, unrealistic rewards and fewer development opportunities, thus resulting in a poor climate and low morale exists within this group. In summary, evidence suggests consistency and consensus are interrelated concepts and have a significant impact on eliciting the required staff behaviours.

A higher-order level analysis suggests that the message is sufficiently distinct to steer employees' behaviour to pursue a high quality strategy, however, at an operational level, and upon closer examination, there are mixed messages sent to employees, such as prioritising revenue generation at the expense of quality (below list selling).

The benefit of a strong system is that it should not only arouse interest but elicit action in response to managements' expectations. While many features in the case support this objective, a lack of consistency and consensus undermine it. A lack of consistency and consensus creates a perceived lack of fairness, thus resulting in reduced motivation and commitment as seen in increased staff turnover, absenteeism and lower discretionary effort for a large group of employees (both newbies and Sales).

The discussion chapter expands on the findings and assesses the implications for the management of employees, with a particular emphasis on the small firm context. In doing so, the discussion examines ‘how’ the process matters. This is achieved by considering the impact of process features on the entire conversion process.

CHAPTER SEVEN

Discussion

7.1 Introduction

The two preceding chapters have demonstrated the application of the Bowen and Ostroff logic to better understand HRM content and process in the context of CloudCo and TalentCo. This discussion chapter expands on how the process meta-features (distinctiveness, consistency and consensus) influence the effective management of staff in these two award-winning small firms. In order to do so, it explores the interrelationship between the strategy (message), the HR content (practices) and the process features (i.e. a strategy content process perspective – referred to by the author as the 'conversion' process). Through the animation of the conversions process across the two cases, the related components of system strength are shown to steer employee attitudes and subsequent behaviours (Stanton et al., 2010). The qualitative in-depth cases allow us to look beyond the surface level of HR and unpack the nuances and complexities involved in effectively managing employees, and in doing so, shed light on the utility of the Bowen and Ostroff framework. This addresses calls for research to examine "how employees' perception of the HRM process in terms of distinctiveness, consistency, and consensus can be further enhanced in an organization……. Until now, this topic has hardly been considered*"* (Sanders et al., 2014, p.500).

The discussion first animates how a process perspective provides greater insight into HR in the context of CloudCo and TalentCo. This equally advances understanding of HRM in the small firm context, moving beyond simplistic and flawed content-based assessments (see chapter 3). In applying the Bowen and Ostroff (2004; 2016) meta-features there is strong evidence to suggest that consensus acts as a precursor, or necessary foundation, to distinctiveness and consistency, and thus system strength. Specifically, where a lack of consensus is found, a fragmentation and fracturing of relationships emerge. Notable also is that small firm characteristics of proximity and shorter communication lines (Delmotte et al., 2012) can either serve to positively reinforce (CloudCo) or negatively accentuate (TalentCo) system features, thereby providing a more nuanced assessment of possible size-related advantages and disadvantages.

Having broadly reviewed the application of a process perspective, the discussion then focuses on three key themes that extend our understanding of the process perspective. These themes emerged as prominent during the qualitative coding process, the case write-up and cross-case analysis. The first theme explores the central role played by the MD and leadership team, who prove central agents in the application of the HRM process features. Evidence from TalentCo and CloudCo illustrate how employees' interpretations and perceptions are shaped by leadership choices and communication which has a significant impact on whether the message employees perceive is the one originally desired or intended. While leadership has long been a feature recognised as critical in shaping the employment relationship in small firms (see chapter 3), and is receiving growing attention in HRM research (Leroy et al., 2018), it has not been directly explored in the context of the Bowen and Ostroff framework. This theme provides further explanation for the significance of consensus.

Second, from the analysis it became clear that the Bowen and Ostroff framework largely neglects context, focusing on an assumed static nature of internal relations as per social exchange theory (Cropanzano et al., 2016). Yet, it is clear from both cases that context is critically significant, not just in terms of firm size (Harney and Dundon, 2006) but especially as related to growth trajectories, ambitions, and employee experiences of same. Exploring how both cases diverge under pressure including from investors (TalentCo) and a result of integrating acquisitions (CoudCo) sheds light on the utility and application of the process features, with CloudCo more successful in maintaining a philosophy supportive of their intended strategy. These contrasting outcomes highlight the need to incorporate contextual factors beyond 'social context' (Bowen and Ostroff, 2004, p. 207; Ostroff, and Bowen, 2016, p. 198) in analysis or else understanding can only ever be partial at best (Farndale and Paauwe, 2018; Johns, 2010). This, in turn, highlights the merits of in-depth, rich qualitative investigations to complement dominant quantitative approaches.

Finally, common convention suggests that growth necessitates increased formality, and formality implies consistency, however, evidence suggests that small firms benefit from the flexibility and any move to formalise (greater consistency and visibility) can potentially erode the benefits of flexibility (Harney and Dundon, 2006). Thus the final discussion point centres on the tension between formality and informality in the small firm context, and considers the framework's utility and value based on small firm characteristics. This further unpacks the complexities around growth and brings understandings of the dynamic nature of (in)formality found in small firms (e.g. Ram et al., 2001) to inform analysis of the Bowen and Ostroff meta-features.

7.2 Process Matters

In response to continued calls, the objective for this section of the discussion is to examine not only if the HRM process matters, but critically to illuminate 'how' it matters (Sanders et al., 2014, p. 499). In an ideal HR system, a set of HR practices supports the organisational strategy and the HRM process features amplify the intended message by sending signals that strengthen the likelihood that employees will develop a common shared interpretation of what management expects and rewards, thus increasing the likelihood of conversion (Bowen and Ostroff, 2016; Han et al., 2018). By adopting a holistic and comprehensive lens, the approach taken in this research enabled us to unpack the reality of what is happening in these two high growth award-winning small firms. Evidence reveals support for the utility of the HRM process features and suggests that the metafeatures of distinctiveness, consistency and consensus features have powers to complement, reinforce and/or compensate for HR content. A process informed approach has proved particularly useful in overcoming the deficiencies of content research when applied to small firms as outlined in Chapter 2.

Evidence supports recent suggestions that both content and process influence the messages sent to employees (Sanders et al. 2018). To provide a simultaneous content and process view, table 7.1 (p. 238) is used to present a summary of the findings from both TalentCo and CloudCo with HR content on the left, and the HRM process features on the right. The discussion expands on some of the key findings and explores what they mean for the application of Bowen and Ostroff's framework. It appears on the surface that both organisations have similar HR practices at their disposal and were a traditional HRM content (survey by higher level manager) view taken (Khijli and Wang, 2006; Truss, 2001), they would appear quite similar, with similar HR practices (content seen on table 7.1, p. 238). Thus traditional HRM content research would exclusively review the left hand side of the table and summate a lack of consistency between practices, ie. a lack of horizontal alignment often found in small firms (Samnani and Singh, 2013). Analysis from this perspective might equally point to a small firm deficiency or backwardness (Harney and Nolan, 2014). Yet by reviewing the process findings on the right, immediately we see the value of process informed research and the richness yielded from in-depth qualitative research. Notably, despite surface level similarities and equivalent knowledge intensive contexts, it is clear that the HRM process features on the right hand side reveal mixed results. The findings suggest that both CloudCo and TalentCo diverge in terms of their approaches i.e. the 'how' of HRM. It appears that CloudCo benefits from an approach that reflects the value of the metafeatures of distinctiveness, consistency and consensus in supporting the intended message albeit in the context of tensions and challenges related to formality (e.g. CRM system) and financial pressures (legacy clients from acquisition). In general, HRM content and process at CloudCo is more supportive of a high quality message with a learning philosophy in contrast to TalentCo which is increasingly driven by a revenue philosophy and exhibits considerable inconsistency (eg. commitment versus productivity-based approaches) and growing distinctions between groups (e.g. newbies and historics). The merits of applying a process perspective are not merely that it moves beyond an exclusive content orientation (others have done this in an SME context e.g. Drummond and Stone, 2007; Ram et al., 2001) but that it provides an analytical and systematic way to explore across firms. Moreover, by so doing the case findings illustrate critical contextual features, tensions and distinctions that analysis to date has largely glossed over (in part due to a reliance on unitarist exchange theory and quantitative methods) (Dundon and Raferty, 2018; Harney et al., 2018; see also section on Empirical Shortcomings in the Research Methodology chapter 4).

See Table 7.1 summarising Content and Process of CloudCo and TalentCo below

Table 7.1

[34]	Content			Process	
HR Practices	**CloudCo**	**TalentCo**	Features	**CloudCo**	**TalentCo**
Recruitment and Selection	Sophisticated 3 rounds More effective R and S	Sophisticated 3 rounds Less effective R and S – over reliance on personality fit	Distinctiveness	Learning philosophy	Revenue philosophy
Training and Development	More structured T and D for sales – expertise hired in	Ad hoc and reactive –induction by MD (sales background) not received well	Visibility	Senior management involvement - high	Senior Management involvement - medium
Rewards	Rewards – opportunity, development and positive working environment	Rewards – being part of 'global player' and development. Divide between historics and newbies causing poor climate and atmosphere	Understandability	Explanations for changing practices and prioritisation	Don't understand changing practices (Sales) – loss of flexibility and introduction of micro mgt.
Performance	Targets – some consultation. Learning is key Accountability high PAs introduced - informal	OPs & TE – Targets discussed - learning Sales – targets mainly imposed – numbers based Lack of accountability PAs introduced - informal	Legitimacy of authority	High senior management credibility	Senior Mgt. credibility OPs and TE – High Sales – Low (work ethic yes, but MD low cred)
Job Design	Autonomy – increased formality reducing autonomy CRM system	OPs & TE – Autonomy Sales – increase in micro mgt. Loss of flexibility	Relevance	Learning	Revenue – top priority OPs and TE – learning also
Employee Involvement/communication	Proximity – continuous communication Some follow through	Proximity – some benefits have been lost; office layout and lack of communication Gap between action and words	Consistency	Consistent process between groups	Lack of consistent process between groups
Additional features			Validity/instrumentality	Partial validity Targets instrumental	Partial validity Targets instrumental -
Formality/Informality	Increasing formality (CRM, PAs and meetings)	Increasing formality (CRM, PAs and meetings)			
Employee of the year	Learning – one who learned the most	Revenue – the one who generates most revenue	Consistency between HRM messages	Partial – lack of VA & HA	Partial – lack of VA & HA
Ideal employee	Enthusiastic and eager	Enthusiastic and passionate	Consensus	High	Low
HR Configuration	Commitment based philosophy	Commitment based philosophy – OP/TE Productivity based - Sales	Agreement between HR decision makers	Aligned management views/styles	Individual Management views/styles
External Environment	Staff shortages Financial pressure from acquisition	Staff shortages Financial pressure from investors	Fairness	High	OPs and TE – high Sales - low

[34] Source: Compiled by author's interpretations

Examining how the HRM process dynamic plays out in CloudCo illuminates both the complexities and potential of the metafeatures to support the conversion process. While some of the HR practices in CloudCo are sophisticated (e.g. recruitment), and employees understand what is expected of them and what they get rewarded for (Stanton et al., 2010), there is a lack of understanding of certain practices (e.g. unstructured training and development opportunities). Equally there is a lack of horizontal alignment e.g. between training, performance appraisals (recently introduced) and organisational plans, as exemplified in the following quotation, '*So basically, like, I had a discussion with the guys on my last review that there is no clear vision of what this company is intending to do, so basically any training that I take is basically what I believe I could enjoy to do or maybe what I believe or could be useful in the future, but there is no clear vision'* (CloudCoOPsMM). Despite this reality, there is a sense that, because of stated growth prospects and opportunities, coupled with the credibility of senior management and consensus between them, that employees '*believe*' in them and give them the benefit of the doubt. Moreover, frequent reference to the '*banter*' and '*craic*' through the interviews highlight employee's perception of CloudCo as a good place to work. This echoes Drummond and Stone's finding from award-winning small firms which did not meet surface level ideals of (content) best practice. It equally draws attention to the significance of a 'harmonious' working environment (Forth et al., 2006), or at least how positive experiences serve to gloss over or ameliorate content deficiencies (Ram et al., 2001). At CloudCo there is an affection for the senior management team and in particular the MD; mostly for how they treat employees at a personal level but also because of their work ethic and drive towards the '*big plan'* (CloudCoOPsEM). Management appeal to the ambitious nature of employees, by narrative and activities ('interactions' and 'event cycles') that emphasise their growth plans, effectively getting employees to buy into management's dream by "creating a vision of continuity" (Venus et al., 2018), and in many ways; "these firms foster the desire to succeed among their employees" (Hamel and Prahalad, 2005, p. 149). This was evidenced in the MD's reflections and arguments e.g. MD: '*I think that's a huge part of our business is that we're all growing up together'.* There is a sense that employees are lucky to be in at the start. These objectives and signals are distinct in the sense that they are relevant (Bowen and Ostroff, 2004) to the ambitious employees recruited, and the positive attributions support positive reinforcement. Features of size are significant here as management are close enough to know employee's interpretation and perceptions, and in turn, they respond accordingly, e.g. offering an organisation-wide incentive scheme (Nishii and Paluch, 2018).

In summary, a “distinct concern for people related matters” (Cafferkey et al., 2018, p. 16) and perceived ‘good intentions’ by management means employees pay attention to their message, thus increasing the likelihood of collective sensemaking (Bowen and Ostroff, 2004).

On the contrary, for TalentCo, irrespective of how individual functional groups are treated, a significant inconsistency across the organisation and over time, reflective of, and compounded by, a lack of agreement between senior managers, leads to a perceived lack of fairness. The effect is that employees pay less attention to management and reduced engagement leads to increased absenteeism and employee turnover. This was not surprising as employees are experiencing practices more akin to productivity-based approach (Monks et al., 2013), with increased working hours and withdrawal of flexi-time, as opposed to commitment based approaches that employees had become accustomed to. The combined effect is mixed messages across the organisation, with more favourable terms for certain groups (OPs and TE) and inconsistencies exposed for Sales (in particular, those labelled as newbies). This instance counters the view of the small firm as automatically harmonious benefiting from line of sight size-related advantages (Bacon et al., 1996; Wilkinson, 1999). Instead, it exposes how small firm characteristics may actually serve to make employees more aware of the inconsistencies. With CloudCo, consensus between senior managers was able to compensate for some inconsistency of HR content, however, a lack of agreement between senior managers exasperates the problem for TalentCo.

Overall, the case evidence suggests that distinctiveness, consistency and consensus may potentially compensate for a lack of ‘fit’ and sophistication of practices (McClean and Collins, 2018). This sheds light on the utility of the Bowen and Ostroff framework, the process perspective with particular relevance to small firms given their likely resource and finance constraints (Sels et al., 2006). In CloudCo’s case, distinctiveness, consistency and consensus of the message (epitomised by ‘learning’) compensates for a lack of ‘fit’ (content deficiency); where staff is motivated by the signals sent to them which emphasises the value management place on them. In contrast, for TalentCo, a lack of consistency between groups and over time leads to reduced motivation and commitment for the groups affected. Ultimately, the combined effect of distinctiveness, consistency and consensus for CloudCo, is a greater line of sight with less mixed messages. Contrasting the cases of CloudCo and TalentCo in this manner illuminates the value of system strength as has been highlighted in the literature (but not yet applied to small firms). Cross case comparison equally brings forth considerations related to the hitherto unexplored domains of 'system weakness'.

7.3 How Process Matters

Taking a 'higher-level contextual view' as recommended by Ostroff and Bowen (2016, p. 197), it is evident in both cases that employee interpretations and perceptions of the standout messages (distinct) and signals would seem to have a strong bearing on their interpretation, sense-making and ultimately subsequent responses. Although CloudCo and TalentCo are both pursuing high quality, perceptions of employees differ with respect to management priorities. In response to an employee of the year award question, employees in CloudCo believe the award would go to the one who *'learned the most'* ('*sink or swim'; 'take chances'*), whereas, employees in TalentCo believe it would go to the one that generated the most '*revenue*' ('*below list selling'; 'discounting'*), with the first more conducive to the intended high quality strategy. This highlights the importance of the metafeatures in delivering the higher level/larger HR message.

The narrative from the MD in CloudCo, such as '*we are all growing up together'*, suggests a team mentality, and the social norm is to buy into the '*dream*' that is continuously referred to by senior management. The informal exchange of regular individualised communication enables senior management to steer and guide employee's perceptions (Sanders et al., 2014), and the focus is a positive one that stresses growth and career prospects. Management hold power to influence through distinctiveness features. Highly visible (regular after meetings, organising social events) positive features of senior management commitment and work ethic are influential in CloudCo, leading to a perception of legitimacy and perceived power. Their communications and narrative are valued, relevant and thereby influential in achieving desired role outcomes, and employees pay attention to their desires.

In this sense, the small firm characteristics of proximity and shorter communication lines (Delmotte et al., 2012) are conducive to fostering and reinforcing such strength. In CloudCo, the strong character of the MD and tightness of the senior management team create an environment where 'cognitive-overlapping' is likely to materialise (Bowen and Ostroff, 2004, p. 214). The interactions and interdependencies between senior management and employees are positive encounters and reflect a relational contract, promoting openness and ‘affective commitment’ (Cafferkey et al., 2018); *‘I’m comfortable to go into my manager. I know I can go into my manager whenever’* (CloudCoFAEM). Ostroff and Bowen (2016) call on the work of Weick (2012) to suggest that “collective understanding is based on communication and conversations. This discourse is distributed throughout the organisation in multiple, over-lapping, and loosely connected conversations until it is articulated by an actor with credibility and knowledge” (2016, p. 207). Thus, in CloudCo’s case, a strong situation is achieved by an effective message based persuasion (Bowen and Ostroff, 2004). The senior management team in CloudCo play to their strengths, by use of narrative and discourse that appeals to these characteristics with talk of growth, new premises and the value of being in at the start of something big. This sentiment was directly observed by the author when attending a people strategy event with employees, the message focused on the professionalism of the senior management team, the growth plans and the ‘*big dream’* (MD). It was clear from the conversation, atmosphere and also interview responses that employees bought into this and ‘believe’ in them. Arguably, the plans lacked depth and were more akin to a motivational speech. The message here is consistent with their intentions of building a committed and motivated workforce, however, it also highlights the importance of consistency over time.

On the contrary, TalentCo is not as effective with regularity and forms of communication and a lack of alignment/agreement between senior management prevents employees from forming a common shared understanding, as they fail to ‘sing the same song’ (Stanton et al., 2010). The largest functional group (numerically) of employees (sales 46%) are experiencing more productivity and transactional based models in recent times, due to the introduction of micro-management practices (nanny state) and withdrawal of flexibility. In the absence of any further clarity from management, ‘within-unit variability forms’ among employees causing them to feel less *‘trusted’* and the outcome is lower levels of motivation and commitment resulting in higher absenteeism and increased employees turnover, which ‘suggests lower HRM system strength*’* (Ostroff and Bowen, 2016, p. 198). These employees pay less attention to management’s desires and develop their own within group shared interpretation, a distinct message with negative connotations and withdrawal of effort. In TalentCo, the larger HRM message sends mixed signals and a lack of consistency across groups is perceived negatively. Such inconsistencies and a lack of consensus to communicate the intended message results in a message that revenue is all that matters meaning that a high quality strategy is undermined by below list selling and discounting.

We cannot underestimate the importance of the social and psychological processes and patterns involved in creating a strong climate *("*low variability across employees in their climate perceptions"; Ostroff and Bowen, 2016, p. 205) as psychological processes are the mechanisms "through which employees attach meaning to HRM" (Sanders et al., 2014, p. 489). In both cases, senior managers utilise the psychological processes to leverage the larger HRM message, but particularly so in CloudCo. The formation of a relational contract reflects the characteristics of a 'small is beautiful' view in CloudCo founded on more "harmonious, flexible working conditions" (Raby and Gilman, 2012, p. 429) and an "open and friendly" approach (Ram, 1999, p. 24). This form of climate is more conducive to transferring the intended message, "for a message to have its desired effect, both reception and yielding are necessary" (Bowen and Ostroff, 2004, p. 207). Notably, employees are more receptive and place importance and relevance on the message given the legitimacy of where it comes from.

On the contrary, for Sales (in particular the newbies) in TalentCo, inconsistency between groups and a lack of perceived fairness are more reflective of a 'small is bleak' perspective (Wilkinson, 1999). A small is bleak view implies a more authoritarian approach (micro-management and nanny state emerge for newbies) reflected in the productivity-based HR configuration. Small is bleak implies less opportunity and longer working hours, causing reduced motivation and commitment as evident in TalentCo, especially for newbies. Compounding a bleak perspective (poorer conditions and longer working hours (Rainnie, 1989; Storey, 1994)) is a view that the MD has an embedded belief in a productivity-based model (Monks et al., 2013) coupled with a transactional style relationship. Greater frustration for newbies is caused by the knowledge of a commitment based philosophy enacted by other senior managers. Because of a lack of consensus, TalentCo senior managers do not use their communicative capability and event cycles to recover the message sent to these employees. The result is a distinct negatively perceived message that is compounded by a lack of consistency and consensus.

Although research suggests that small firms may be deficient in terms of HR content (Harney and Dundon, 2006), these two cases suggest that small firms have the capabilities to achieve system strength. By their nature, they have shorter communication lines (Delmotte et al., 2012) and proximity enables owner/managers to control the communicative process and message, thus adopting a higher-level view implies they can achieve their intentions by controlling the message, applying consistently and in a fair way. Small firms can exploit their characteristics to increase their chances of developing shared interpretations. That said, even within the context of smallness and with these characteristics, there remains the potential for divergence from initial intentions, mis-communication, and distinctions arising across groups, as in all organisations. While it could be suggested that small firms have size-related advantages in developing climate strength, “a strong HRM system facilitates interactions, interdependencies, and event cycles such that fewer event cycles are needed to develop shared interpretations” (Bowen and Ostroff, 2004, p. 214) it is clear from the cases that size per se does not imbue a pre-determined effect and impact. Process based understanding provides some explanation for why and how this can be the case.

Bowen and Ostroff suggest that a “compensatory model may be appropriate in that a high level of one feature will make up for a low level of another feature” (Bowen and Ostroff, 2004, p. 215). In this sense for CloudCo, perceived fairness and good intentions seem to compensate for inconsistent practices (e.g. recruitment sophisticated and ad hoc training). By contrast, a perceived lack of fairness causes most discontent in TalentCo. In TalentCo’s case, it is the MD’s strategic choice (choosing productivity-based practices) coupled with a lack of management skills (‘*they are not managers’*) that causes the perceived inconsistency and lack of fairness. When implementing increased working hours for only newbies, employees perceived the reason as ‘*the biggest load of bullshit I have ever heard in my whole life’* (TalentCoOPsMM), whereas *‘employees would have preferred to be told the truth and would have accepted it better’.* TalentCo illustrates the fracturing, negative undertone exemplifying ‘how the how’ is not always beneficial but can undermine intent.

From a process view, the evidence suggests that consensus i.e. aligned management views and perceived fairness may compensate for the inconsistency of practice as the larger HRM message (learning philosophy) appeals to employees social and cognitive persuasions. The findings support the previous work of Sanders et al. (2008), and most recently Cafferkey et al. (2018), who argue that “when employees view the HRM system as more distinctive, consistent and where there is more consensus between parties, they are likely to be more committed” (Cafferkey et al., 2018., p. 16).

7.3.1 Consensus as a Precursor

Building on the how process matters discussion, strong evidence from the cases suggests that consensus is a precursor to both distinctiveness and consistency. Two extreme examples warrant discussion: firstly, high levels of consensus in CloudCo and secondly; low levels of consensus/agreement between senior managers in TalentCo (see table 7.1, column 3 and 4, third last row, p. 238).

In support of Bowen and Ostroff's (2004) suggestion, strong alignment in CloudCo creates greater administrative consistency (manifest in recruitment and selection), and thereby "send similar communications, which enhances distinctiveness and visibility of the practices, thereby helping to promote shared perceptions of the practices among employees" (p. 202). Bowen and Ostroff (2016) argue that a failure to consider consensus may help explain some of the inconsistencies and weaker findings on the relationship between HRM system strength and HPWS. Notably, a lack of agreement between senior managers in TalentCo leads to Sales adopting an approach that is more akin to a productivity-based philosophy. Inevitably, this leads to inconsistent content (HR practices) that sends mixed messages (longer working hours, less flexibility). These employees fail to understand the rationale for the distinction, and it undermines the credibility of the senior manager, causing employees to pay less attention to the manager because of a lack of relevance, and subsequent disengagement, reflected in comments from one of the sales team; *"Do you know what, I'm just going to come in here, do my job, go home, and then feck whoever else."*

The integration of the decision makers (senior managers) promotes relevance by emphasising important goals, and how to achieve them. In addition, the agreement between the senior management team in CloudCo increases their legitimacy of authority meaning employees pay greater attention and respect their views (Bowen and Ostroff, 2004). While content may differ, stronger situations enabled by proximity and regular contact allows management to convey the message so that employees feel the system is fair. Employees do not construe different event-consequence relationships (Bowen and Ostroff, 2004), and in CloudCo's case, they believe that if they 'grow' and 'learn', they will progress with the organisation. Normative models imply an expectation of attitudes and corresponding behaviour (Cafferkey et al., 2018), where practices (content) send the required messages but we see that how they are interpreted and perceived is key to employees' response and whether they motivate or not.

The holistic and comprehensive approach allows the research to capture the integration of content and process by providing an assessment of the higher-level view as intended by Ostroff and Bowen (2016). Without which, a view on the larger HRM messages (learning versus revenue) and the nuances that accumulate to unearth this view would not be achieved. This has been enabled by an in-depth methodology including multiple stakeholder viewpoints. Overall, it would appear consensus is a necessary condition or precursor to system strength opening up research questions related to sequencing and the relationship between meta-features. The discussion of consensus also draws attention to the critical role of senior leadership. It appears that the system tends to follow the approach adopted by senior leadership, and very much the MD in both of these cases. It suggests that they hold a pivotal role in fostering or fracturing consensus, and how they frame or fictionalise future growth prospects either appeals to employees or is at odds with what they expected. Attention now focuses on the role of leadership.

7.4 Leadership – Facilitative or Fracturing

It has been established that leadership plays a critical role in the vertical alignment of strategy and HR, especially so in the case of SMEs (Sheehan, 2013, p. 548). However, while intuitive, the role of leadership in informing/shaping the HRM process remains neglected. Indeed, in their initial paper Bowen and Ostroff make only one reference to leadership, and this is in the context of future research (2004, p. 214), while in their reflection piece they note that "additional research is needed to explore leader factors and styles that work in conjunction with features of a strong HRM system in order to reduce gaps between intended, actual, and experienced practices and climate" (Ostroff and Bowen, 2016, p. 207). From the previous discussion it is clear that in the case organisations, leadership emerges as a key factor in shaping communication patterns, and by facilitating interactions and event cycles that influence the message interpreted by employees. In CloudCo, the senior leadership team present a narrative that suggests a team mentality, and the social norm is to buy into the '*dream*' that is continuously referred to by them. The informal exchange of regular individualised communication enables senior management to steer and guide employee's perceptions (Sanders et al., 2014), and the focus is a positive one that focuses on growth plans.

With the significance of consensus emphasised (discussed above, also see table 7.1, p. 238), the role of senior leadership warrants further consideration given their ability to influence the psychological processes and climate strength through positional power, discourse, communication and conversations that shape a collective understanding (Bowen and Ostroff, 2004). From a visibility and legitimacy of authority view, it could be suggested that small firms are disadvantaged in HR terms as it is generally accepted that they are less likely than larger firms to employ HR specialists/expertise (Forth et al., 2006; Boxall and Purcell, 2011) "given the lack of economies of scale to justify their presence" (Wu et al., 2013, p. 4) and "where resources are quite limited" (Mayson and Barrett, 2006, p. 447). Nonetheless, although such firms may lack a person with a designated HR title, top managers have the ability to achieve perceived power and status (Donaldson, 2001) given their direct involvement in managing employees. Indeed, HR research has recently pointed to the importance of messages that come from top management rather than the HR department (Guest, 2011; Guthrie et al., 2004), especially as related to SMEs (McClean and Collins, 2018).

In both CloudCo and TalentCo, the MD holds the greatest perceived power over strategic HR issues such as rewards and recruitment, and it is the credibility and behaviour of the MD that draws attention to management's priorities. In CloudCo, the MD brings management experience in sales, a perceived '*professionalism*', strong work ethic and strategic capability, they have a '*plan*' and, generally, employees believe they will achieve it (reflected of higher legitimacy of authority in table 7.1). Whereas in TalentCo, while perceived as having a strong work ethic, the MD lacks credibility and coupled with the office manager, there is a sense of deficiency in management skills; '*… The people that are managing us, they are not managers, you know, they don't really have experience in management*' (TalentCoOPsMM). This was especially evidenced and visible with respect to the unsuccessful recruitment of sales employees and a lack of management for underperformance. The result is that employees pay less attention, thus reducing the likelihood of perceiving the intended message from him.

A significant feature evident in CloudCo is the close working relationships of senior management (high strength table 7.1, p. 238), manifest in their regular after hours chats. Bowen and Ostroff note the merits of such "..integration and close interactions among HRM professionals, managers, and top managers foster the exchange of tacit knowledge for the formulation and implementation of an organisational strategy and HRM system" (Bowen and Ostroff, 2004, p. 212). This sentiment and togetherness are in turn recognised and appreciated by employees: '*Generally they are on the same hymn sheet'* (CloudCoSaleEM) and '*I don't think they would go on a solo run to the detriment of, you know, the management team'* (CloudCoSaleMM). Management at CloudCo encourage and welcome an open and frank discussion, with their '*no bullshit policy'*, however, they come to a consensus and a '*single decision'*. Common to small firms, the MD/leader holds significant positional power, but evidence in these cases suggest an appreciation and understanding of system strength features can improve their ability to steer employee attitudes and subsequent behaviours (Baron et al., 1996). In CloudCo, we see that the MD and senior management team benefit from features of distinctiveness, consistency and consensus, whereas, these features have a more negative effect for a large proportion of the employees in TalentCo.

In TalentCo, when faced with financial and external investor pressures, it emerges that the MD deserts a commitment based philosophy for an approach that is more akin to a productivity-based philosophy coupled with a transactional form of relationship. The result is an introduction of more micromanagement (nanny state) and a withdrawal of autonomy and flexibility practices that employees were accustomed to, thus resulting in reduced morale and withdrawal of discretionary behaviour. Compounding the inconsistency is that the other two key senior managers maintain their commitment based philosophy. Thus, a lack of consistent treatment across groups and a lack of agreement between senior managers serves to reduce system strength. The result is a lack of a common shared understanding of managements desires, where OPs and TE believe in delivering a high quality product and service (reliable/robust product and client success stories, respectively) while sales are preoccupied with generating '*revenue at all costs'*, as manifest in the employee of the year award question. Given the prominence of the MD, and sales being the largest functional groups numerically, a consensus grows across the organisation that revenue generation is the priority and this undermines the intended organisational goals of high quality. Relationships are furthered fractured, and distinctions enhanced, as newly hired employees are labelled 'newbies' and are deemed responsible for the introduction of micromanagement and a productivity-based philosophy, owing to their perceived exploitation of flexible terms and underperformance. The resulting outcomes are a divide between the historics and the newbies, and a reduction in morale across the organisation as the withdrawal of flexible terms and an increase in nanny state is threatening other functional areas, causing a poor atmosphere and climate at HQ; *'So this is what happens and we end up having this whole water cooler bitching session amongst ourselves and it, that just makes the divide even bigger'* (TalentCoOPsMM). It appears that this has emerged as a result of the MDs actions or inactions.

Stanton et al. (2010) conclude that a strong HRM system may be difficult to achieve in practice, because alignment is difficult to achieve, in order for the system to be strong, managers need to "sing the same song". Evidence supports this suggestion, and in Bowen and Ostroff's terms, the system is stronger in CloudCo (reflected in table 7.1, p. 238) as it achieves greater alignment and agreement between the senior managers, resulting in climate strength and positively associated with greater conversion. While previous research has certainly highlighted the influence of owner-managers/MD in small firms in the form of creating an employment blueprint (Baron and Hannon, 2002) or by virtue of utilising a specific style (Goss, 1991), this research extends our understanding of the pivotal role played by senior leaders in the small firms' context. Through influencing the communications, interpretations and perceptions, they play a central role in linking strategy to practice, by promoting a people management strategy that influences the conversion process. As recommended (Guest, 2011), gathering employee's perceptions and interpretations allows one to uncover any perceived differences or gaps between the approach adopted by different senior leaders, manifest by unearthing fractured and fragmented relationships considered within organisations (hitherto explored in a unitarist fashion). The contrast between leadership at CloudCo and TalentCo clearly illustrates the role of leaders as "HR sense givers" (Nishii and Paluch, 2018). Evidently leadership at CloudCo exhibits greater "HR implementation behaviours" including articulating the intended message (e.g. people strategy events) and expectations, role modelling behaviours (e.g. visibility; regular after hours meetings), reinforcing behaviours and assessing interpretations (e.g. organisation-wide incentive scheme), thereby "facilitating a strong HR system" (Nishii and Paluch, 2018, p.319). Overall, just as it is difficult to deny the influence, or imprint, of owner manager's on employment relations in small firms (e.g. Baron and Hannon, 2002; Goss, 1991), this is also true for the influence and imprint of leadership (whether positive or negative) when it comes to understanding the intended, enacted and received HRM message.

7.5 Significance of Context

To date, HRM research has largely taken an inward looking focus assuming a steady state, thereby neglecting the dynamic environments experienced by firms (Schuler and Jackson, 2014). We know already from research on small firms that they are especially vulnerable to external change and competitive conditions (Barrett and Rainnie, 2002). Where context is acknowledged in Bowen and Ostroff's work this is largely with reference to the internal 'social context' or differing contextual interpretations by employees (Bowen and Ostroff, 2004, p. 207; Ostroff, and Bowen, 2016, p. 198). The case evidence reinforces that organisations do not operate in a vacuum but are shaped by their legacies, external changes and interventions and the broader context of strategic ambition and intent. Both CloudCo and TalentCo are small but in high growth phases. From the findings, it is immediately evident that this context has a significant impact on our understanding of the influence of system strength features in these cases. Both are facing increasingly competitive product and labour markets. In order to grow both have taken on resourcing challenges, with CloudCo acquiring TeleCo and this placing significant financial and productivity challenges on their employees, manifest in a shortage of employees particularly in OPs. Similarly, TalentCo's global expansion plans requires external capital investment and these investors have pushed an agenda for increased sales resulting in a large recruitment drive in sales. These pressures for growth and expansion are compounded by a shortage of employees available in the region. These contexts very much shape how they manage their employees.

External triggers or events (Cassells et al., 2012; Morgeson et al., 2015) cause changes in the HR practices adopted which affects consistency. Evidence reveals that CloudCo copes better and benefits from maintaining greater consistency over time, whereas the pressure in TalentCo causes them to switch to a more productivity and transactional based model with negative consequences albeit not for all employees. We expand on the value of achieving consistency and consensus in response to contextual challenges, and how small firm characteristics aids their transition. While the growth of models (Barrett and Rainnie's (2002) dialectical approach; Harney and Dundon's (2006) 'open systems' approach and Edwards (2006) framework) go some way to capturing 'environmental interdependence' and the complexity of HRM in small firms. The qualitative depth and holistic approach taken here allows us to capture how context shapes both content and process simultaneously. Both cases illuminate how context dramatically creates the facilitating or hindering conditions which shape how HRM operates in these firms. Therefore, any application of Bowen and Ostroff or exploration of system strength which does not accommodate or allow for context is only partial. Ostroff and Bowen (2016) propose that the generalizable assertions of features better accommodate for context than traditional content-based research. While conceptually supported and logical that features such as relevance and fairness are better accommodating for context, the external pressures in TalentCo are sufficient that managements' response causes a drop in perceived fairness. The value of the research has heightened relevance given the vulnerability of small firms to changing contexts (Cardon and Stevens, 2004; Mayson and Barrett, 2006).

Although both organisations have strategic choices and the environmental conditions are not deterministic (Harney and Dundon, 2006), an important contribution to our understanding comes from an exploration of their response to these challenges. The external environment and growth challenges cause both organisations to prioritise sales and generating revenue, however, as to be expected with small firms, their responses are idiosyncratic (Cardon and Stevens, 2004; Mayson and Barrett, 2006; Edwards et al., 2001; Marlow, 2006). For CloudCo, an investment in training, a CRM system, regularised meetings and performance reviews for Sales employees, presents a challenge for management, as other employees (OPs and FA) are aware of the extra resources expended on Sales who become known as the 'bee's knees'. However, senior management and in particular the MD, bring in sufficient indicators to suggest that a focus on sales employees is short term, and they have introduced more inclusive meetings for all, more employee events and the promise of an organisation wide incentive scheme. In many ways, in support of a continued commitment-based model they expend 'time' and 'effort' in responding to employees needs across the organisation (Ostroff and Bowen, 2016). They gain buy-in from employees because employees attribute their actions with good intentions. Achieving consensus between managers and buy-in from employees allows them to prioritise sales in the short term because of the justification and perceived fairness, and the potential future prospects for all. Responses from management are visible, employees understand the reasons and most importantly, the long term goals are relevant to all employees. Thus although there is clear evidence of pressures from integrating the TeleCo acquisition, employees are reassured that a distinct learning philosophy is the long term priority, ie. the larger HR message remains intact.

For TalentCo, in response to investor pressure, the rapid expansion of the sales team brings many challenges, in terms of investments in training and performance, and sourcing talent.

The challenge is compounded by the shortage of skilled professionals available in the local labour market. Breaking from their consistent targeted and intensive selection process sees them availing of a government incentivised scheme that leads to lower skills and less experience, with a view that personality and enthusiasm are all that matters. However, a lack of investment or inadequate training fails to deliver sales. Increased competition in the market and labour shortages builds the pressure and insufficient sales growth combine, leading to the MD deserting the commitment based philosophy for practices and process more akin to a productivity-based model (micro-management and nanny state). Thus, while taking on investment is an important part of growth, paradoxically it comes with an undercurrent of pressure to exhibit returns and demonstrate the impact that has knock-on negative HR content and process effects (see Cushen, 2013). However, two senior managers (OPs and TE) continue with the commitment based philosophy coupled with a relational approach (see table 7.1, p. 238). This causes further dismay for the Sales group as they now lack both consistency over time but also across the organisation. The outcome of this lack of consistency leads to increased frustration, absenteeism and increased employee turnover. Therefore, evidence suggests that there is a lack of agreement between HR decision makers and a perceived lack of fairness, resulting in mixed signals to employees. Given the small firm characteristics of proximity, awareness of how each group is treated filters through and any aspiration of creating a differentiated HR architecture is problematic. The failure to deliver sales is evident, and the response undermines the high quality strategy causing frustration for those historics (in since the early days when they operated from the 'attic') that are loyal to the high quality brand. This causes fracturing of relationships between the newbies and historics, with the historics believing their terms are going to be affected by the underperformance of the newbies. This example underscores the significance of context both with respect to legacy relations and identity (Greiner, 1972) and the relative application of HR process across groups and varying 'contextual interpretation' of same (Bowen and Ostroff, 2004).

The non-determinate (Ram and Edwards, 2003) choices taken by both organisations influence employees perceptions, with CloudCo achieving more positivity from taking an approach that achieves greater features of systems strength. For CloudCo, consensus and consistency continue to deliver a distinct learning message that employees have come to expect. In contrast, the response from TalentCo reveals a lack of consistency across the organisation and over time, and a lack of consensus between senior manager approaches, results in an unwanted higher-level message (revenue focus); and most importantly, resulting in a perceived lack of fairness, and leading to a conversion that is at odds with a high quality strategy.

Thus far the context discussion has been based on the premise that management hold all the cards and can make decisions based on their own prerogative (Ram, 1991). However, this does not reflect reality, and even in cases where employees are expected to hold the least power, we see evidence of 'workplace fiddles' that enable employees to restore some parity for imposed conditions by management (Moule, 1998). Hence, the operations need to be considered in the 'totality' of the small firm context (Barrett and Rainnie, 2002). Employees play a role in shaping the relationship and are not passive recipients to managements prerogative (Holliday, 1995; Ram, 1994; 1991; Moule 1998). Edwards (1986) suggest that we account for structural conditions without them being deterministic. Summarising, the employment relationship is a complex exchange and trading of both external and internal variables that must co-exist and adjust.

The negotiation powers of employees are determined by their skills levels and the scarcity of skills, which reflects the importance of the interplay between the external and internal factors. In both cases, for the most part, there appears to be a good balance between management and employee powers, with jobs described as good jobs for the region, and given that where reciprocal dependency exists, greater collaborations enable a more fluid relationship (Barrett and Rainnie, 2002). In part, this is reflective of the high value add, knowledge intensive contexts of both firms (Alvesson, 1993). However, as alluded to, newbies at TalentCo experiences are more akin to a productivity-based model with increased micromanagement and a nanny state. Although in the early stages of this approach, the MD has been able to implement his philosophy, as the jobs are seen to be '*good jobs'* (senior manager) in the region, and employees accept the changes. Nevertheless, this is balanced against the fact that experienced sales employees, although not highly skilled, are in scarce supply in the region. So combining both the embedded philosophy of the MD with the low skills levels for sales, as compared to the shortage of regional skills (Ram, 1991), an important interplay of negotiation is underway. Evidence suggests a frustration among newbies and a withdrawal of discretionary behaviour, which is how they resist less favourable terms, *'Do you know what I'm just going to come in here, do my job, go home, and then feck whoever else'* (TalentCoSaleMM). In contrast, OPs and TE are able to maintain their commitment based philosophy, and interestingly they hold higher skills that are in short supply. Thus, while system strength features may be aspirational, they will be contingent on the negotiation power of employees and management based on external conditions.

Despite perceptions of traditional content deficiency (Harney and Dundon, 2006), the small firm context has been proven to be better understood by a process-oriented view. The two case studies reveal their characteristic strengths in facilitating management to deliver the intended message. The shorter communication lines and proximity open up the opportunity for senior leadership to shape the communicative process and convey the message that suits their needs. Greater interaction and regular communication represented in an open door policy for both cases enable them to reinforce a message ‘regardless of the HR content’ (Ostroff and Bowen, 2016, p. 205). Small firms can exploit their characteristics to increase their chances of developing shared interpretations. Likewise, similar characteristics facilitate messages coming from employees, which can prevent frustration from escalating, seen to good effect with OPs and FA in CloudCo. Prevention proves valuable and avoids a situation of ‘angry workers’ caused by imposing HR practices, although sophisticated that employees deem inappropriate (Cushen and Thompson, 2012). That said even within the context of smallness, and with these characteristics there remains the potential for divergence from initial intentions, mis-communication and distinctions arising across groups.

Thus, small firm characteristics may aid message-based persuasion, as narrative and proximity allow management to repeatedly convey their message and the frequency of interactions and event cycles increases the likelihood of shared interpretation (Morgeson and Hoffman, 1999). However, similar characteristics such as proximity may expose inconsistent practices (content) and a lack of consensus, thereby preventing flexibility and differentiation on managements part, as employees may resist. Overall, small firm features may, therefore, serve to positively reinforce (CloudCo) or negatively accentuate (TalentCo) system features, thereby providing a more nuanced assessment of possible size-related advantages.

In conclusion, the evidence suggests that any examination of the HRM process needs to accommodate the influence of both external and internal factors and neither should be assumed determinate (Wright et al., 2001). The current effort extends the utility and our understanding of the conceptual framework and promotes the consideration of context in the application of the framework. In contrast to empirical evidence, the current methodology and findings rightly interprets the framework as a 'situational context variable' (Ostroff and Bowen, 2016, p. 199), contributing to growing calls for contextual appreciation in research (e.g. Farndale and Paauwe, 2018; Johns, 2010).

7.6 Formality – Double Edged Sword

The value of formality through increasing standardisation and efficiency is likely to increase strength through consistency, validity and instrumentality. However, there is also an associated risk that it reduces management's flexibility. With formality in place, it is likely to prove more difficult to differentiate groups of employees, particularly in small firms, as it is likely that employees will be aware of the inconsistencies. Secondly, although the pursuit of formality may be in management's interests, one cannot assume management's prerogative prevails as if employees were passive recipients to managements desires (Ram 1994). To support growth, the introduction of a CRM system in both organisation comes with the expectation that it improves efficiency and potentially quality through standardisation and formalised structures. However, it is met with some apprehension, and a lack of training leads to some frustration on employees' part; it is time consuming, restrictive and reduces the autonomy to which they were accustomed, it presents a controlling form of management, by '*steering sales people in a particular way of behaving'* (CloudCoSaleEM) and the sentiment that '*If it's not in ConnectWise, it didn't happen'* (CloudCoOPsEM). Many employees perceive the CRM system and news modes of working as a burden and believe it doesn't cater for activities such as time for collaboration which can often lead to improved services (CloudCoOpsMM). While such systems are perceived as a valid measurement for sales, this is less so for other functional areas and does not capture the complexity of some tasks, resulting in less uptake than was anticipated. A lack of in-depth empirical research misses the opportunity to examine the social and political complexities that permeate workplace relations and shape the implementation of such formality (Sanders et al., 2014). Bowen and Ostroff's thesis and subsequent interpretations tend to present only the positive gains from consistency, yet informal exchange and individualised relationships are the basis on which some small firms survive (Ram, 1999; Holliday, 1995).

It is clear that organisational growth necessitates formality in order to increase standardisation and efficiencies to benefit from economies of scale. Thus, formality is likely to complement a consistency feature and strengthen distinctiveness through visibility, but a word of caution is advised for small firms, as formality risks reducing their flexibility and, in turn, potential size-related advantages (cf Bacon, 1996). Small firm literature has alluded to these competing forces (Gilman and Edwards, 2008) of formality for growth versus the risk of losing flexibility; as one owner-manager in a small firm study reflected "If you formalise something you are dead; informality makes things feasible and gives you options" (Harney and Dundon, 2006, p.60). Flexibility facilitates individual negotiations (Moule, 1998) and in some cases lower wages (Ram, 1999). This implies that consistency and formality may not be desirable so that small firms can hold on to strategic choice and the ability to individualise. It is, therefore, no surprise that SMEs are a "context where informal practices prevail" (Harney and Nolan, 2014, p. 4). Misztal (2000) voices their concern over balancing the relationship between formality/predictability and informality/flexibility, "if they are out of balance they will be extremely harmful" (p. 552). They found that organisations struggled with balancing these while modernizing and growing.

Interestingly the case evidence suggests that an increase in formality can both strengthen and weaken system strength features. In both cases, formality is used as a process to support growth, by standardising activities seen with the introduction of the CRM system in both CloudCo and TalentCo to facilitate high quality by repetitive and structured activities. In CloudCo, formalised training for sales (referred to as the bee's knees' by colleagues) emphasises the priority placed on them, but simultaneously, fuels frustration for Ops and FA, because of a lack of consistency between groups. Conversely, informal exchange is used by senior management/MD to build a relational model where positive working relationships permeate the environment and are helping them '*retain people*'; employees are *'listened to'*, management have '*good intentions'*, and an '*open door'* and approachability philosophy. Although there may be a lack of resources (both financial and human), ultimately what happens in practice is that employees are '*happy to go to work'*. Even where experienced Tech employees feel overworked, they don't see CloudCo as any worse than anywhere else, and the positive environment with '*banter*' is welcomed. The informal exchange (Sanders et al., 2014) supports the ability of senior management to achieve cognitive mapping where shared perceptions are more likely to materialise. Employees are lured and believe in the senior management narrative (especially the MD) that creates a sense of the 'big plan', and employees buy into the 'dream'. CloudCo supports the suggestion that informality may get employees to work harder, by replacing higher wages and salaries with social ties and positive interactions (Forth et al., 2006). This echoes research by Ram whereby "the 'open and friendly' approach to managing employees was acknowledged as important to 'get their[employee] commitment'*"* (Ram, 1999, p. 24). CloudCo harness the communicative advantages of being small, and "the distinctive ways in which it occurs, with face-to-face relations often complemented by the distinctive processes of familial relationships, indicate that small firms are not scaled down versions of large ones*"* (Storey, 1994, p. 726). In a sense, CloudCo strikes a balance between the use of formalised systems to support growth and informal social relations that facilitate interactions with senior management that employees value. In contrast for TalentCo, the increasing formality sheds light on the inconsistencies, with newbies working longer hours with reduced flexible terms. As previously discussed, the knock-on effect of this lack of consistency between groups leads to increased absenteeism and employee turnover. Formality is a key feature and straddles all three meta-features of distinctiveness, consistency and consensus. Distinctiveness is strengthened by increased visibility (CRM system, PAs) and formality of practices leads to consistency of practice. However, if the system isn't consistent from a content perspective (different practices for different groups) or from an employee's perception, then a lack of consensus will likely ensue, attributable to a perceived lack of fairness. Thus although formality of intent, we cannot assume formality of practice (Taylor, 2005), and we cannot assume a system of HR practices as being "realised as intended" (Truss, 2001) based on managerial prerogative; "For a message to have its desired effect, both reception and yielding are necessary" (Bowen and Ostroff, 2004, p. 207). Even where an organisation chooses a soft over an autocratic approach to HRM, the realisation of this approach may be altered by employees depending on their perceptions (attribution theory) and power to influence. Raby and Gilman (2012) highlight that employers and employees do not necessarily share common interests (unitarism cannot be assumed). Ram (1994) suggests that employees are not *'passive'* recipients to management conditions, they will bargain where required to achieve satisfactory rewards. In TalentCo., sales employees that are experiencing more formality and changed terms and conditions are resisting by withdrawing their own flexibility and discretionary effort; '*I'm out of here at half-five. I'm not switching on my computer for the weekend,'….' because they feel like they're being watched or being, not getting flexibility the other way'* (TalentCoSaleEM). Formal terms and conditions (extra working hours) sheds light on the inequality of treatment in this case. The introduction of a perceived nanny state is resisted, leading to high levels of discontent among newbies (Sales). A form of negotiated antagonism is enacted by these employees in order to maintain their privileges, but indirectly trying to maintain their consistency. Thus consistency from an employees’ point of view may restrict strategic choice for management. It is likely that traditional HRM content survey-based research, would paint a rose-tinted view of increased sophistication and pursuit of best practices, and miss much that is important in the negotiated antagonism involved in the implementation and the political complexities that permeate workplace relations (Sanders et al., 2014).

The informality enabling individual negotiations evident in the series of case studies from Moule (1998), Ram (1999) and Holliday (1995) were a necessary requirement for the firm’s survival, the “informal way …produces atomised rather than collective relations” and the individual negotiation process was common to small firms generally (Moule, 1998, p. 652). This individualised negotiation was attributed to the survival of the firms based on the premise that individuality diluted the collective power of employees. In some case studies (Ram, 1999), informality was a strategic choice by management to ensure the individualising of the relationship, in some instances to avoid formal pay structures and discourage employees from discussing their wages, similarly “secrecy was the name of the game” for Gilman and Edwards cases (2008). Strong individualised relations in CloudCo allow senior management to achieve their favourable terms for the priority group of sales, particularly so in the short term. The close social relations and positive working environment coupled with the future prospects presented to employees compensate for inconsistent practices, and employees are willing to forego the short term conditions for the long term opportunity. The close working relations unearths discontent (see leadership discussion above), enabling management to respond as seen with the promise by management to introduce an organisation-wide incentive scheme, thus showing the importance of informal exchange and interactions.

Gilman and Edwards (2008) discuss at length the importance of informality in the success of the four small firms examined and they suggest that one “does not necessarily have to equate informality with negativity and formality with positivity” (p. 552). Small firms have traditionally been associated with informality and large firms associated more with formality. Both organisations are pursuing increased formality, and it is increasing distinctiveness and complementing consistency. Conversely, in CloudCo, the informal exchange is used effectively to build a relational model and reinforce the message on a continuous basis, maintaining perceptions of fairness. It is not a simple dichotomy of formality versus informality in small firms, we need to “examine the interaction between the two and the ways in which they reproduce each other" (Gilman and Edwards, 2008, p. 533). The current comprehensive approach was able to capture both the formal and informal HR practices (Sanders et al., 2014), and shed light on the value of accommodating both in the small firm context.

From a broader perspective, a differentiated HR architecture may be difficult to implement as formality and process features imply consistency; the very premise of system strength features is climate strength; "low variability across employees in their climate perceptions" (Ostroff and Bowen, 2016, p. 205). Formality improves consistency, but simultaneously makes employees aware of any differentiations. Formality may expose any inconsistencies and a word of caution is advised if pursuing consistency as it may restrict the ability of small firms to have differentiated HR structures. In TalentCo, a differentiated HR architecture (commitment based versus productivity based) is exposed by formalised practices and leads to frustration. Small firm characteristics of proximity and awareness increase the likelihood that employees will become aware of any inconsistency across groups and will lead to discontent as in TalentCo. In summary, while small firm characteristics facilitate informal exchange and the benefits it brings, they also increase the likelihood that any inconsistencies between employees will be exposed. It is commonly accepted that formality is needed for efficient growth, however, over-formalisation may lose the small firm advantages to be gained from the informal exchange. These types of tensions and challenges are typically glossed over or ignored in process research/applications of the Bowen and Ostroff framework. Surface-based research suffers from the fallacy of presence and fails to unpack the social and political relationships that restrict a linear adoption of content (outlined in chapter 2, content limitations). Adopting a process view favours an appreciation and accommodation of the social and psychological dimensions that either support or negate the intentions of management (see chapter 3). Process examinations that omit employee views hold limited value as their perceived attributions influence their likely reception and yielding to the intended message, and their views cannot be ignored.

7.7 Conclusion

Overall, the discussion demonstrates the utility of the conceptual framework, stressing the significance of system strength, and highlighting the importance of consensus. The discussion supports the suggestion that consensus is a precursor to consistency and distinctiveness. Evidence suggests that the metafeatures of distinctiveness, consistency and consensus can complement, reinforce ('amplify') and/or compensate for HR content.

Successful application of the features is largely dependent on senior leadership in these cases and likely so in small firms in general. The discussion also highlighted the critical importance of appropriately accommodating context, as well as the tensions likely to emerge between formality and informality. These three themes were particularly prominent across the high growth contexts of CloudCo and TalentCo and shape our understanding of the utility of the process view in the small firm's context.

CHAPTER EIGHT

Conclusions

8.1 Conclusions and Recommendations

8.1.1 Overview

The conclusions chapter offers a reflection on the key constructs of the Bowen and Ostroff framework (2004) including a consideration of some emerging themes and a further consideration of small firm HRM. This research called on the work of Bowen and Ostroff (2004) to shed further light on a process view, systematically adopting their conceptual framework as the lens to explore how the HRM process influences the effective management of employees in the context of two award-winning small firms. Simply, the objective was to look beyond the 'what' question and consider 'how'.

In order to capture the 'how', a comprehensive review of the entire HRM system was needed, from strategy to content to process (referred to by the author as the conversion process). Therefore, the research followed an analytical HRM approach, to unpack the 'what', 'how' and 'how well' of the entire HRM system, reflected in the stages of the sensitised framework (see chapter 3) that guides the enquiry. The sub-questions followed the framework and the conversion process by considering the intention, implementation and perceptions stages. In-depth understanding across two case studies was enabled by gathering information on 'what' HR practices management chose and why (strategy/intention/content), how the processes work (implementation/processes) and how well they work (from perceptions of management and employees). Gathering information and integration of the different stages enables the researcher to consider the higher-level properties of the conceptual framework as recommended by Ostroff and Bowen (2016). The cases afford us the opportunity to animate the influencing role of the process features in the conversion process.

The evidence from both cases supports Bowen and Ostroff's claims that where the HRM process metafeatures of distinctiveness, consistency and consensus are present it is more likely employees will have a common shared understanding of what is required by management. Thus, we conclude that the process features influence the climate and situational strength, enabling a more effective conversion process, and in these two cases it improves the likelihood that employees follow a philosophy that is more conducive to the organisations strategy (high quality).

8.1.2 How Process Matters

Findings from CloudCo and TalentCo demonstrate that the process does matter. The evidence supports the view that process features hold generalizable properties (Sanders et al., 2014), in this instance enabled by a systematic comparison across case contexts. This finding echoes Monk et al.'s (2013) work on HRM philosophy and supports the argument that Bowen and Ostroff's metafeatures are "easily applicable in different settings" (Delmotte et al., 2012, p.1485)

In support of process logic, the case study findings suggest that a lack of, or ineffective practices (e.g. insufficient training), can be compensated for by employees perceived fairness and managements '*good intentions*'; thus the 'larger HR message' is key and it emerges from the signals (Ostroff and Bowen, 2016, p. 197). The implications are that a close examination of individual HR practices in isolation is not as rich as taking a higher-level contextual view of the entire conversion process, through the lens of the metafeatures as recommended by Ostroff and Bowen (2016). This is especially relevant for small firms, which are frequently judged content deficient but can manage employees successfully in a way that does not match best practice content ideals (Drummond and Stone, 2007).

Evidence points to CloudCo having greater strength in the system: with a distinct '*learning*', commitment and relational based philosophy; greater consistency in the treatment of employees; and coupled with greater alignment between senior managers, promotes greater perceived fairness among staff. Building on the social and psychological properties of the framework, the opportunity for learning and a positive working climate attributable to these features in CloudCo appear instrumental in persuading staff to follow the organisational objectives, regardless of the individual HR practices. Likewise, the features enable the social and psychological state so that staff is more receptive and willing to yield to the message (Bowen and Ostroff, 2004), and in some cases place the organisations needs ahead of their own (seen with the Ops team in CloudCo).

On the contrary, in TalentCo a distinct *'cost'* and *'revenue'* focused message is less supportive of a high quality strategy; coupled with a lack of consistency between groups (historics and newbies) in terms of content and process leads to increased absenteeism and employee turnover. Additionally, a lack of alignment in the senior management team with different HR philosophies (commitment versus productivity) signals a perceived lack of '*trust'* in some staff groups and hence a perceived lack of fairness, causing fractured relations. These all contribute to a lack of a common shared understanding, with the emergence of a cost and revenue focus that undermines their intentions.

The evidence, therefore, extends our knowledge and understanding of the utility and legitimacy of the Bowen and Ostroff (2004) framework and its component features, thus building on the theory and its practical value for small firms. The approach taken re-affirms Ostroff and Bowen's (2016) later assertions that "HRM system strength is a higher-level construct that is a contextual property of the unit or organisation and enables HRM to send unambiguous messages about the broader culture, climate, priorities and values" (Ostroff and Bowen, 2016, p. 6).

Practically, rather than focusing exclusively on HR content, management would do well to consider 'what' the intended message is; who it should come from; how it should be conveyed and justified; who is exposed to it; what practices would be instrumental and complementary; are management in agreement; and how it is likely to be perceived. In summary, the process features of distinctiveness, consistency and consensus, have the potential to convey, reinforce and complement the intended message.

In line with Katou et al.'s (2014) empirical examination, the current effort equally suggest that content and process are "inseparable faces" of an HRM system, where the HRM process has an impact on HRM content, suggesting important "theoretical and practical implications" (Sanders et al., 2014, p. 498). In a response to calls for a simultaneous look at content and process, the research advances our understanding of the combined signalling effect of HR content and process (Cafferkey et al., 2018), see table 7.1 (p. 238). Both practitioners and managers need to avoid sending mixed signals through both content and process.

8.1.3 Process Matters in Small Firms

Small firms need to consider process, it does matter. At both CloudCo and TalentCo the process features support the conversion process, however, it was found that small firm characteristics add further complexity. Some small firm characteristics (proximity) are supportive of the process, while others can undermine its value (lack of sophistication, visibility, validity, legitimacy), yet others can have dual effects (e.g. formality). The impact of small firm characteristics cannot be neatly read, suggesting the merits of a holistic, in-depth inquiry of the type conducted at the case organisations. Evidence suggests an increase in formality can both strengthen and weaken system strength features. Strength will likely come from more consistent messages as staff are exposed to similar practices (eg. standardised reviews as opposed to chats, the introduction of a CRM system), however, the informal exchange (Sanders et al., 2014) supports the ability of senior management to achieve cognitive mapping where shared perceptions are more likely to materialise e.g. at CloudCo (see Ram, 1999).

The discussion focused primarily on the value of consistency, but to the extent that small firms are characterised by informality, they often depend on informality to provide flexibility (Gilman and Edwards, 2008). Evidence suggests that proximity enables strength through social exchange influence, however, such informality can undermine consistency. The growth context of both firms necessitates some formality in order to increase standardisation and efficiencies to benefit from economies of scale. Thus, formality is likely to complement a consistency feature and strengthen distinctiveness through visibility, but a word of caution is advised for small firms, as formality risks reducing their flexibility and, in turn, potential advantages (Bacon, 1996). Small firm literature has alluded to these competing forces (Gilman and Edwards, 2008) of formality for growth versus the risk of losing flexibility (Harney and Dundon, 2006) and facilitates individual negotiations attributed with important advantages in the small firm context (Moule, 1998; Ram, 1999). This implies that consistency and formality may not always be desirable, as small firms attempt to hold on to strategic choice and the ability to individualise. Further research could usefully examine which features small firms could harness the most value from. It is logical to think that they could invest more in features at their disposal or that are less resource (financial) intensive, such as agreement between HR decision makers and perceptions of fairness as opposed to investing in validity given their lack of HR expertise (Forth et al., 2006).

In summary, the exploration sheds light on the utility of the framework, with features of distinctiveness, consistency and consensus supporting the conversion process. Conversely, the framework also sheds light on the causes of frustration in TalentCo, with distinct signals sending mixed messages, and a lack of consistency and consensus causing a perceived lack of fairness. Nevertheless, we conclude by suggesting that understanding, appreciation and accommodation of the capabilities of how the process features can help shape the message, warrants consideration by small firms. Small firms may need to choose the features selectively, as a lack of consistency may be exposed by proximity.

8.1.4 Advancing the Bowen & Ostroff Framework

The Bowen and Ostroff framework has had much traction in the literature (eg. Delmotte et al., 2012; Sanders et al., 2008; Niishi et al., 2008, Li et al., 2011; Cafferkey et al., 2018), resulting in opportunity for reflection (Ostroff and Bowen, 2016) and some criticism. Although not testing the framework per se, the research advances our understanding of the key premises of the framework and explores how the features "operate together in conjunction with HR practices in creating strong situations" (Ostroff and Bowen, 2016, p. 202). Given the qualitative nature of the research, we caution against drawing any definitive conclusions, however, evidence suggests the features may be best described as interdependent with potential to be mutually reinforcing. The outcomes from both cases suggest that distinctiveness alone is insufficient (Ostroff and Bowen, 2016), consistency and consensus are needed to reinforce the message. In both organisations, although the staff can articulate the intended high quality strategy (distinct), where there is a lack of consistency and consensus, we see a breakdown in a commitment to the strategy. With several examples available, however, the most extreme is where Sales (newbies) in TalentCo are aware of the high quality strategy, but experiences of inconsistent practices coupled with different management styles (reflecting a productivity model) cause frustration, manifest in increased absenteeism and employee turnover. In summary, where an organisation applies all three metafeatures of the framework, it is more likely that the system will elicit the required attributes and subsequent behaviours provided it is the correct message.

Evidence supports the view that "consistency and consensus are distinct but interrelated concepts. For example, when individuals throughout the organisation experience consistency in HRM practices, consensus is more likely to be fostered" (Bowen and Ostroff, 2004, p. 212). In CloudCo, high levels of consensus attributable to a tight closely aligned management team leads to greater administrative consistency (Ostroff and Bowen, 2016), reflected in their approach to staff selection, increased formality and an open-door policy, promoting the view that consensus is potentially a precursor to consistency (Ostroff and Bowen, 2016). In contrast for TalentCo, a lack of consensus between the senior management team is perceived negatively. This suggests consensus may be something of a precursor or necessary condition for distinctiveness and consistency. This argument is also supported and reinforced by key findings related to the role and impact (positive and negative) of leadership.

Although Bowen and Ostroff (2004) believe it is “less likely”, they present a view that “a compensatory model may be appropriate in that a high level of one feature will make up for a low level of another feature” (p. 215). In CloudCo, the narrative suggests that high levels of perceived fairness is compensating for a lack of content consistency (eg. inadequate training, staff shortages) because employees feel management have ‘*good intentions’.* In CloudCo, the management team rely heavily on the strength of the positive working relationships (eg. banter and craic) and even where employees are ‘*offered more money somewhere else’* (COO), they tend to stay. Evident in CloudCo, a sense of fairness, a belief in leadership and the ‘dream’ reflecting the opportunity tends to compensate for some content inconsistencies.

8.1.5 Challenging the Bowen & Ostroff Framework

Evidence suggests that the perception of fairness carries considerable weight in influencing/shaping staff perceptions and can compensate for inconsistent practices (seen to good effect in CloudCo). It could also be suggested that process effectiveness is contingent on the perception of fairness, and without it, all others are weakened. In many ways, the perception of fairness is an outcome of other features such as consistency and consensus. It is recommended that future research could explore the relative importance of different features and this would aid organisations in deciding where to concentrate their resources and which features to prioritise.

Based on social exchange communication/theory, the Bowen and Ostroff framework largely neglects context focusing on internal relations. Yet it is clear from both cases that context is important, especially as it affects their ambitions for growth. Both of the organisations face external challenges and financial pressures, however, as to be expected, they adopt idiosyncratic responses to these challenges (Cardon and Stevens, 2004; Mayson and Barrett, 2006; Edwards et al., 2001; Marlow, 2006). At TalentCo, increased targets resulting from investor pressure necessitates a significant growth in recruitment, yet external labour markets prove challenging and the skills are not readily available. The knock-on effect is a change in their approach. Less experienced sales staff, missed targets and inadequate training compound the situation, and it appears to lead to the increase in micro-management resulting in a division and fracturing of relationships between employees. This effectively leads to a perfect storm, with content sending mixed messages coupled with inconsistency and a lack of consensus. Future research needs to consider context as managements decisions are constrained by external conditions.

Previous work (Bowen and Ostroff, 2004; Sanders et al., 2008) *"*have almost an implied assumption that a strong HRM system is in fact in both the organisations and employee mutual interest" (Cafferkey et al., 2018, p.16). These unitarist assumptions suggest greater strength in following a small is beautiful perspective. However, the strength of employee negotiation of order and co-operation referred to by Edwards (1986) as 'structured antagonism', may reflect a pluralistic reality that exists in small firms. This view may allude to some pluralistic perspective weaknesses of the framework, however, it does not restrict the use of the framework, as its intention is to provide an environment where a more unitarist perspective should be fostered by increased consensus. In TalentCo's case, newbies (disadvantaged group) have withdrawn discretionary efforts. Thus the unitarist underpinning that favours positive returns cannot be assumed, employees hold negotiation powers that cautions against linear assumptions of the framework. If the signals sent to employees are not the ones expected, staff has the power to 'negotiate*'* (Harney et al., 2018). We cannot assume that all employees want the organisations to grow, and some evidence, particularly in TalentCo suggests that employees have fond memories of being small when operating from the 'attic'. Notably, the research considers strength as a relative term rather than a definitive measure and discusses how strength can be improved, in doing so it lends itself to the premise that it could conceivably be considered on a continuum. In support of Ostroff and Bowen's (2016) recommendations, further examination of HRM strength as a continuum, additive or combination is suggested. Appreciating employee dynamics and negotiated orders (Ram et al., 2001) also highlights the need for further multi-level examination capturing both management and employee views.

Drawing on another key discussion theme it is clear that there is a requirement for closer examination of owner-managers/leaders in small firm HRM process research, given their ability to influence the psychological processes and climate strength through positional power, discourse, communication and conversations that shape a collective understanding (Bowen and Ostroff, 2004). Ostroff and Bowen (2016) support the recommendation to explore "leader factors and styles that work in conjunction with features of a strong HRM system in order to reduce gaps between intended, actual and experienced practices and climate" (p. 207). From a visibility, validity and legitimacy of authority view, it could be suggested that small firms are disadvantaged as it is generally accepted that they are less likely to employ HR specialists/expertise than larger firms (Forth et al., 2006; Boxall and Purcell, 2011). Although they may lack the appointment of an HR title, they have the ability to achieve perceived power and status (Donaldson, 2001) given their likely top management involvement in managing staff. The credibility and behaviour of the MDs influence staff perceptions, and the MD in CloudCo utilise their social and psychological influences with narrative and discourse that continuously reinforces the intended message, fostering a sense of opportunism and commitment to the organisation. Common to small firms, the MD/leader holds significant positional power, but in these cases, appreciation of system strength features improves their ability to steer employee attitudes and subsequent behaviours (Baron and Hannan, 2001).

8.2 Contributions

8.2.1 Theoretical

The current study contributes to both the process perspective and small firm HRM on a number of fronts. Theoretically, the most important contribution is the application of Bowen and Ostroff's conceptual framework in a comprehensive way, thus enabling, an exploration of how the process really matters. Built on situational strength theory and message based persuasion, Bowen and Ostroff propose a set of features that will increase the likelihood of a common shared understanding of managements desires, thus responding to the known gap between intention and implementation (Wright and Nishii, 2004; Bartram, 2007). Following an analytical HRM view, this comprehensive approach enables the researcher to take a recommended higher-level view (Ostroff and Bowen, 2016) to the situation, and the information provides a realistic view of what happens in practice while also allowing for context. In doing so, it responds directly to Ostroff and Bowen's key concerns that; "researchers have not tended to examine HRM strength as a higher-level property of the HR system as originally intended” (Ostroff and Bowen, 206, p. 198). The research explores the application of the framework through the lens of what the author refers to as the conversion process, reflecting the different stages from intention to implementation to perception, by operationalising the process features in an integrated way. The evidence supports the claims that where distinctiveness, consistency and consensus are present, it increases the likely transfer of the intended message, with elevated importance in a high skilled service-based sector.

A second contribution very much hinges on the comprehensiveness of the research, by applying the Bowen and Ostroff logic it responds to explicit calls that the process features should “operate together in conjunction with HR practices” (Ostroff and Bowen, 2016, p. 202). The research therefore purposefully took a simultaneous content and process perspective to explore HR in both cases (Sanders et al., 2018; Sanders et al., 2014, Cafferkey et al., 2018; Bowen and Ostroff, 2004). In doing so, this examination advances and extends our understanding of the influential role of the process features in managing employees, by considering how the features impact the signals sent to employees. All three meta-features of distinctiveness, consistency and consensus form part of the communication mechanisms (Haggerty and Wright, 2010) and are therefore influential in managing employees. Evidence suggests that consistency and consensus have the potential to ‘*amplify*’ the message (Ostroff and Bowen, 2016). In summary, the features have power to complement, reinforce and/or compensate for HR practices (content).

The examination advances our understanding of the make-up, key premises, merits and utility of the framework and its features. The approach allows the researcher to explore the features individually but also the relationships between them. The evidence suggests that the features are not independent, they are interrelated and potentially mutually inclusive. Distinctiveness alone is insufficient, consistency and consensus have the potential to ‘amplify’ the message. While a distinct message may draw attention, consistency and consensus are needed for elicitation. The framework implies equal importance for all features, yet in these two cases, the perception of fairness surfaces as a key factor, with evidence suggesting it is more important than the actual HR practices (higher-level view), if employees perceive it to be fair it promotes effectiveness, and inconsistencies in content (between recruitment and selection and training in both cases) is compensated for by the perceived good intentions of senior management. The evidence suggests that the perception of fairness has generalizable properties, and this has practical implications for management of small firms who may lack access to resources and sophistication of HR practices, and are more susceptible to external conditions with their need for particularistic HR practices (context-based content (Gilman and Edwards, 2008). The perception of fairness is more important than the sophistication of the practice. Yet it is a recommendation of the research that in order to achieve the ‘larger HR message’, it is best if content and process work in concert to deliver the message. Consensus echoed in the closeness of the senior management team plays a precursory role in delivering consistency and distinctiveness in CloudCo. Without consensus in TalentCo, senior managers pursue an individualistic approach with the knock on effect of exposing employees to the inconsistencies leading to a fracturing of relationships.

The current comprehensive approach was able to capture both the formal and informal HR practices (Sanders et al., 2014), and in doing so shed light on the important role of senior management/leaders. The “management of human resources is administered very differently in smaller firms than larger firms”, and “this has the potential to lead to greater vertical integration between firm strategy and human resource practices” (Sheehan, 2013, p. 548). The evidence reveals this sentiment and where the perceptions of leaders are positive, employees tend to follow management’s aspirations (Leroy et al., 2018), paying greater attention to the distinct message (Venus et al., 2018). Awareness by employees of contextual pressures means the leadership role is elevated and in particular the MD’s. The value of the features is animated by the MD’s diverging approaches, and the one (CloudCo) that maintains a level of consistency over time, builds credibility and nurtures agreement between senior leaders appears to be more effective. The regular positive ‘banter’ and ‘craic’ allows the senior leaders to balance the need between formality and informality (Gilman and Edwards, 2008), on the one hand creating an environment where they are happy to go to work (Drummond and Stone, 2007), yet willing to accept more formalised practices (CRM system), that supports management’s growth ambitions.

The research extends our understanding of the framework by questioning the unitarist assumptions on which it is based. Firstly, the unitarist underpinning that favours positive returns cannot be assumed, a pluralistic reality is that employees hold negotiation powers that cautions against linear assumptions of the framework, employees are not passive recipients to a managerialist agenda (Harney et al., 2018). If the signals sent to employees are not the ones expected, staff have the power to ‘negotiate’. Secondly, evidence suggests that caution is advised in applying a unitarist view, as it may reduce the organisations ability to be flexible.

The practical contribution is a more successful conversion process, thus closing the gap between intention, implementation and perception so that finite resources are not wasted on ineffective practices. With greater system strength, it is more likely that the message is transferred and improves the line of sight for employees. Both content and process send signals (Cafferkey et al., 2018; Ostroff and Bowen, 2016), and the evidence suggests that managers would do well to incorporate the features into the design, development and implementation of HRM systems. In terms of managerial practice, it is advisable that management considers what higher-level message that the HRM system is sending to employees and how (Townsend et al., 2012).

8.2.2 Methodological

The methodological contribution comes from how the current research responds to two key empirical challenges, with the first based on content deficiencies in existing research (Guest, 2011, see also chapter 2) and the second, a lack of a comprehensive and higher-level examination of the process perspective (Ostroff and Bowen, 2016), particularly so in small firms. The in-depth qualitative case studies respond to current limitations by enabling "a more nuanced understanding of how and why such systems work" (Monks et al., 2013, p. 391). In-depth case research unpacks how the process features play out in reality as opposed to on the surface or from just a manager's perspective as with traditional HRM research, thus, prioritising explanation over prescription

Surface level content examinations have dominated empirical research and have resulted in positive associations at best; however, they fail to uncover the reality that lies beneath, and the reasons for a gap between intentions and implementations (Wright and Nishii, 2004). In light of the social and psychological dimensions of the framework, the current effort sheds new light by taking a much needed qualitative exploration of the social and political complexities that permeate workplace relations (Sanders et al., 2014; Harney et al., 2018). In line with the proponents of the framework (Cafferkey et al., 2018), the current approach holds employees' perceptions at the heart of the research frame as they are best placed to comment on how the system and its practices affect them, something equally noted, if typically lacking, in the small firm context (Verreynne et al., 2013; Sheehan, 2013; Gilman and Edwards, 2008). It is unlikely that surface-based research would unearth the disparity and fractured relationships between groups of employees, let alone the effect on their attitudes and subsequent behaviour. Surface-based research may identify increased absenteeism and turnover, however, it is less likely to unpack the reasons for it. Pre-defined measures would not allow for the exploration of key emergent themes such as the impact of leadership and context.

Taking an analytical HRM approach, the research follows a sensitised framework that guides the research enquiry. This enables a comprehensive examination of the conversion process by capturing intention, implementation and perceptions. By capturing both content and process, the research also responds to calls for greater exploration of fit, and a more comprehensive assessment and contextualization of HRM in a smaller firms setting (Samnani and Singh, 2013). In addition to capturing content, the 'context sensitive research' allows the researcher to examine how the process features impact the message transfer while also taking context into consideration (Edwards, 2005). Comprehensiveness enables a greater accommodation and appreciation of the "real world", a reality that is shaped by context. The current intensive case studies prioritise explanation, by acknowledging that the 'underlying mechanisms' that shape social relations are complex. Analytical HRM holds promise for examining HRM *in* practice as opposed to normative linear assumptions of what the HR practices ought to be, and we cannot assume "consensus on end objectives may be a flawed starting point as this process is likely to be messy, contested and shaped by power relations" (Harney et al., 2018, p. 113). In line with the current study, it is recommended that future research apply approaches that enable greater comprehensiveness and completeness than has traditionally been the case. The integrative HRM process perspective is likely to "increase the explanatory power of HRM compared to the more content-focused operationalizations used in prior research" (Ehrnrooth and Bjorkman, 2012, p. 1129).

In summary, neither organisation fits neatly into a beautiful or bleak perspective but may be best described as complex, thus the generalizable characteristics of the process features prove valuable in the small firm context where idiosyncratic content approaches prevail (Harney and Dundon, 2006, Cardon and Stevens, 2004, Edwards et al., 2001; Marlow, 2006). We propose that context and qualitative rigour be at the heart of any future studies into the potential influence of HR system strength.

8.2.3 Context

The final contribution comes from the context of the research, both in terms of small firm HRM research and high skilled service-based jobs.

Although largely neglected (Sheehan, 2013), small firm research has followed traditional HRM research and focused primarily on quantitative measures of the ‘mere presence’ of practices, thus taking a content view (Way, 2002). It is not surprising that the evidence has prematurely labelled small firms as deficient (Harney and Nolan, 2014), given their lack of access to resources, sophistication and HRM skills in general (Forth et al., 2006). The evidence suggests that they are not simply smaller versions of large organisations and their characteristics of proximity and informality can support and constrain the achievement of process strength. A lack of in-depth empirical research has missed the opportunity to examine the social and political complexities that shape workplace relations (Sanders et al., 2014), and in these cases the perceptions of employees. A traditional content driven agenda that searches for a recipe list of best practices or a ‘positive bundle’ of practices for generalizable assertions are less relevant for small firms given their particularistic complexities and their idiosyncratic responses to their environment (Harney and Dundon, 2006; Edwards et al., 2001; Marlow, 2006). Although the process perspective has only come to prominence in the last decade or so, similar failings exist for both content and process research, with neither taking a comprehensive view of HRM, not surprising given the resources involved (Guest, 2011). This weakness is elevated for small firms given their susceptibility and need for flexibility to respond to the external environment (Harney and Dundon, 2006). We conclude that the current efforts respond to these challenges by taking a comprehensive approach that enables a higher level view as recommended by Ostroff and Bowen (2016). The study accommodates the need to capture the ‘totality’ (Barrett and Rainnie, 2002) and ‘complexity’ of small firms (Harney and Dundon, 2006), given their dependency on external environmental factors. This proves instrumental to our understanding of and the utility of the framework. Both organisations face challenges from high growth and external pressures which bring resourcing challenges. However, how they cope emphasises the utility of the framework, with one appearing more successful in their use of distinctiveness, consistency and consensus than the other. The findings suggest that small firm characteristics may prove advantageous or disadvantageous to particular features (inconsistencies may be illuminated), however, what is certain is that the process matters in this context and should be considered in small firm HR operations. While small firms may lack sophistication and the same access to resources as larger firms (Forth et al., 2006) reducing their opportunity for validity, visibility and legitimacy, however, the evidence suggests that they can avail of their shorter communication lines (Delmotte et al., 2012) from reduced layers of management and proximity, to reinforce their message. Small firms may lack the resources for sophistication of HRM and thus they may be disadvantaged in terms of some features such as validity, but small firm characteristics of proximity acts as an enabler for greater agreement between HR decision makers. Small firms may choose to be selective in the features that they adopt based on their resourcing restrictions. Further research is recommended in the small firm context to avoid the neglect that has occurred in traditional content-based research (Sheehan, 2013).

The context of the research adds further significance as the importance of transferring the message and shared perceptions is elevated by the context, given that in high skilled service-based organisations, staff has more influence over the quality of the service delivered (McClean and Collins, 2010; Samnani and Singh, 2013). This implies a greater need for a clear line of sight that is facilitated by stronger situations and subsequently, greater system strength.

8.3 Limitations

This section explores the limitations of the research. One of the key concerns is the ability of the research to infer generalisations to the broader population for two main reasons, the findings are from two cases only, and qualitative methods lack definitive measures and outcomes. In fact, the study promotes the importance of context in unpacking the complexity of the workplace relations. Although the semi-structured interviews follow previous quantitative surveys in terms of structure and content (Delmotte et al., 2012; Li et al., 2011; Gomes et al., 2010), the focus of the research was primarily qualitative and applied in nature, and looked to uncover/unearth how the process features influence stronger situations and perceptions as opposed to frequency of HR practices.

In order to make comparisons, the researcher purposely chose two cases that appeared similar on the surface in terms of size, geography, skills levels and success (growing and award-winning) (Creswell, 2003). It could be suggested that the interpretations are relevant to similar organisations, however, the influence of the external conditions in both of these cases shapes the internal operations. Financial pressures see adverse changes and responses in both organisations. Combined with the need for growth, the external labour market conditions restrict both organisations and a labour shortage alters their selection criteria. It would be difficult to replicate the conditions and find contexts facing the same pressures. Nevertheless, the objective is not to generalise the findings but to integrate the potential of the process features in managing employees. The evidence suggests that the process features support management's ability to manage their employees, but how this would work in practice in every organisation may differ. Future research could explore a greater range of cases, perhaps in the same sector while maintaining the multi-level participation.

The findings outlined how one organisation utilises the process features to greater effect in maintaining the higher-level message, a one of learning in the first instance as opposed to revenue in the second. However, this analysis is limited to cross-sectional information. It would be useful to explore how the process features can support an organisation through change, suggesting the value of longitudinal research. Explorations of growth and change are still lacking in HRM research generally (Bainbridge et al., 2017)

Although not promoting generalizable assertions from these cases, the research process that followed the sensitised framework as outlined in chapter 3, could be useful to guide future enquiry. The logic of the framework is comprehensiveness, and it follows a strategy/content/process perspective (ie. conversion). This allows for an examination of how the process features influence the conversion process by capturing intention, implementation and perceptions. By taking a multi-level approach it enables an assessment of the gap between intention and implementation (Wright and Nishii, 2004) and thus holds practical value for finite management resources. Although this enables a simultaneous examination of content and process, in contrast to previous studies, it is not quantifiable in examining the perceptions (Delmotte et al., 2012) and measurement of system strength (Li et al., 2011; Sanders et al., 2008). Moreover, undertaking such a comprehensive approach invites its own challenges and complexities.

As in any qualitative study, the cognitive bias and experience of the researcher impacts the findings and interpretations (Denscombe, 2007). In order to improve the quality of the research, a pilot study was undertaken, while a high representation of the employees (in excess of 78%) improved the reliability. The value of a multi-level multi-participant study emerged by unearthing the disparity between groups of employees both in terms of content and process and sheds light on the value of consistency and consensus between the groups.

As to be expected, identifying traditional HR practices/activities were challenging (Raby, 2012), without an HR professional or assigned HR person in the organisation (Harney and Dundon, 2006). This was added to by the limited HRM experience of the employees. Broad HRM questions from previous surveys, such as do the HR practices work well together proved troublesome for participants. To counteract this, the researcher placed the broader HRM questions towards the end of the interviews as participants had an opportunity to reflect on the individual practices before tackling these questions. The researcher recommends that future research could build on the approach to gather the relevant information without asking so many direct questions.

8.4 Conclusion

"Hopefully, this present effort at theory building on the strength of the HRM system can begin to help explain "how" HRM practices leads to outcomes the organisation desires" (Bowen and Ostroff, 2004, p. 217). And "if there is one conclusion…., it is that the HRM process does matter" (Sanders et al*.,* 2014, p. 499*).* HRM process features increase the likelihood of a common shared understanding of management's desires.

8.5 Summary Table

For a summary of the conclusions, contributions, recommendations and limitations, please see the table 8.1 below:

Table 8.1 Summary of Conclusions, Contributions Limitations and Recommendations

	Theoretical	Empirical	Methodological	Practical	Context
Contributions	Application of conceptual framework – how features operate together (Ostroff and Bowen, 2016) Extending/advancing our understanding and utility of HRM process and subsequently system strength. Advancing small firm HRM understanding Simultaneous Content and Process examination Higher level property - situational context variable (Ostroff and Bowen, 2016) Exploring for fit – vertical and horizontal Unitarist assumptions/context triggers/events/leadership	Limited application and testing in general Little evidence of application in small firm context Intention-Implementation gap (Wright and Nishii, 2004)	Comprehensiveness Intensive case study Proposed sensitised framework In-depth qualitative Multi-level Multi-respondent Highly representative sample Semi-structured interviews based on surveys (Delmotte et al. 2012)	Improved effectiveness Closing gap between intention and implementation – finite resources Strengthening line of sight	Advancing our understanding of small firm HRM operations. Shedding light on utility in small firm context – unitarist assumptions Selective approach and application in small firm context based on management prerogative High-skilled service HVA Line of sight is elevated
Conclusions	Distinctiveness, Consistency and Consensus hold influencing power in the conversion process (transferring the message) – complement, reinforce and compensate. Greater common shared understanding. Consensus as a precursor Features may not have equal weighting – evidence points to perception of fairness as key issue – contingent feature Should avoid unitarist assumptions in small firm context – managerial prerogative Need to understand context?/leadership- see discussion chapters				
Limitations	Limited to two cases – non generalizable - qualitative findings Inexperience and potential bias of researcher Cases undergoing change				
Recommendations	In-depth qualitative research Expand the sample Longitudinal study Simultaneous Content and Process examination				

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APPENDIX

Appendix 4.1 Capturing Content and Process[35]

Topic	Section and Questions	Process	Purpose
Background questions	Background questions Questions SECTION A. (Qs. 1-2) & SECTION G (Qs. 3-11)		Demographics and exploratory – gender, young staff, high skilled, etc. Functional divide proved important. Qs on the level in the organisation was an important objective
Business Strategy	Business Strategy SECTION B a), b), c)	2. Relevance	Consider the organisational strategy – to establish the message to be delivered
HR Strategy/Philosophy	SECTION C HR strategy Q3 - 12	Q3 Visibility Q4 Distinctiveness Q5 Visibility Q6 Distinctiveness Q7 Distinctiveness Q8 Visibility Q9 Visibility Understanding Q10 Legitimacy Q11 Distinctiveness	Although not explicit and formalised, the objective is to consider the HR philosophy and how it supports the org objectives, while simultaneously contributing to the HRM process
HR functions and associated practices Job Design	SECTION D Job Design a), b), 1, 2, 3, 4.	b) 1. Relevance b) 2 understanding b) 3. Legitimacy and Understanding b) 4. Legitimacy and Consistency	Examine for fit and thus enabling exploration of influence of HRM process
Recruitment and Selection	Recruitment and Selection – a), b), c)	a) Visibility b) Validity c) Fairness	
Training and Development	Training and Development a), b), c), d)	a) Relevance b) Validity c) Relevance	

[35] Please note this table is used to code the interview questions, and follows stage 2 of the Data Analysis Process and the allocation of findings to themes (see Diagram 4.1, p. 102). The corresponding questions can be found in Appendix 4.3 (The Interview Template).

		d) validity	
Performance	Performance a), b), c), d), e)	a) Understanding 1 Validity 2 Validity b) Relevance c) Distinctiveness d) Instrumentality e) Instrumentality	
Rewards	Rewards a), b), c), d), e), f), g)	a) Consistency of HRM b) Fairness d) Validity e) Instrumentality and Consistency f) Agreement amongst HR Decision Makers g) Instrumentality and Validity	
Employee voice/involvement	Employee Voice a), b)	Distinctiveness Relevance	
General HRM function questions	See SECTION E General HRM Function Questions Q13 - 19	13. a) Fairness 13. b) Relevance 13. c) Consistency of HRM message 13. d) Consistency of HRM message 14. Consistency of HRM message 15. Validity 16. Agreement amongst HR decision Makers 17.Consensus 18. Agreement Amongst HR decision makers 19. Distinctiveness	After exploratory questions, allows for reflection on more difficult questions and to capture thoughts
General questions on organisation	See SECTION F General Questions Q1. – Q7	Q2. Fairness Q5. Relevance	Exploratory in nature – allow staff to expand

Appendix 4.2 Design of semi-structured interviews

As can be seen from the questions, they are based on the presence of a HR department. The current study was adapted to consider more generally how employees are managed rather than an assessment of the performance of the HR department, given that small firms are unlikely to have HR departments (Forth et al., 2006)

Features (see Delmotte et al. 2012)	Previous research Qs.	Researcher Final Questions	Meta-Feature Qs. General QS.
Distinctiveness			
Visibility - The degree to which internal customers have a clear idea of HR practices, know which HR programs are implemented, and what can and cannot be expected from the HR department	1. The actual functioning of the HR department is a mystery to a large part of the employees (Delmotte et al., 2012) 2. Employees are regularly informed about the initiatives taken by the HR department (Delmotte et al. 2012 3. The HR department works too much behind the scenes (Delmotte et al., 2012) 4. In this organization, it is clear what belongs to the tasks and what's outside the field of the HR department (Delmotte et al., 2012) 5. 'HR practices are well known by everybody in my organisation' (Gomes et al., 2010)	Who is the **person** with most/key responsibility for Human Resource/People Management? Do you know what level they hold in the management structure? Do you think this described philosophy or people management approach **supports** the business objectives? Could you describe or think of any organisational/HR processes or **activities** that support the philosophy and the business objectives? For example: training or rewards. How do they? Is the role of HRM/approach to people management **obvious** to you as an employees? Prompt: Do you understand the practices adopted and what is expected of you from them? How did you come to **work** in this organisation? Describe the process involved; what was the experience like? – any features stand out? What was your **first impression/perception** of the organisation at the recruitment phase?	Distinctiveness If you were to think of the **ideal employees**; what are their characteristics and how would you describe them? Does the HR function (the approach to managing people – added by author) make you feel **more confident of your ability** to do your job? (Li et al. 2011) How do you **hear** about organisational plans/key decisions and changes? Prompt: How is information passed through the organisation?

			Do you feel adequately informed of key decisions in the organisation Could you **sum up the culture**, in a word or two? Is there a distinct or clear climate/culture present in the organisation? 'HR practices here help me to achieve the company's goals' (Li et al, 2011)
Legitimacy of Authority- The degree to which the HR function is perceived as a high-status and high-credibility function (Bowen and Ostroff 2004)	1. The HR employees has enough authority to get their ideas accepted (Delmotte et al., 2012) 2. In this organization, HRM is synonymous with excellent work (Delmotte et al. 2012) 3. In this organization, the HR function is not a full management function (Delmotte et al., 2012) 4. In general, the HR employees is met with much appreciation in this organization (Delmotte et al., 2012) 5. 'The HR department contributes to defining the strategy of my organisation' (Gomes et al., 2010)	Do you see HR as having **high credibility** within the organisation? Do you see people management strategies as a high priority in this company and if so, why? Can you get tasks/instructions/deadlines from **multiple sources**? What happens if you get direction/tasks from someone other than your direct manager?	
Understanding- The degree to which internal customers understand how the practices developed by HR work. HR interventions are easy to understand and HR solutions are simple, clear, and transparent. It refers to the absence of ambiguity of HR practice content (Bowen and Ostroff 2004)	1.'HR practices are clear in my organisation' (Gomes et al., 2010)	Do you understand the practices adopted and what is expected of you from them? What's your view on the processes? Do you feel **sufficiently involved** in the design of your job? Who do you get your work tasks/job instructions from? Is there a **clear line** of direction and supervision? Do you know what is **expected** of you in terms of performance? **How**? Any examples?	
Relevance: The degree to which HR initiatives and practices are perceived as	1. In this organization, employees experience implemented HR practices as relevant (Delmotte et al., 2012)	Does the organisation have clear strategic objectives/plans/set of intentions? Do you know how your activities/tasks fit into the organisation's plans? Do you	

useful, significant, and relevant (supporting achievement of organizational goals) and HR is capable of anticipating on daily problems and needs	2. Many of the practices introduced by the HR department are useless (Delmotte et al., 2012) 3. Employees in this organization often wonder about the usefulness of specific HR practices (Delmotte et al., 2012) 4. The HR department undertakes exactly those actions that meet our needs (Delmotte et al., 2012) 5. The HR department in this organization has a high added value (Delmotte et al., 2012) 6. 'HR practices in my organisation contribute to its competitiveness' (Gomes et al., 2010)	know how to contribute to the realisation of the organisation's objectives? Examples??? How are **jobs designed** and by whom? Prompt: Job design – what you do on a daily basis. Are they **imposed and standardised** or a joint process between management and employees? Probe: What are the **levels of autonomy/challenge**/ repetition/ procedures and guidelines? Tell me about the **training/development** opportunities in this organisation? Are there any **processes involved** in deciding on training requirements? Who decides? Is training defined for you or is it self-directed? Is it carried out in-house/ on the job or externally? Is it broad development skills or narrow task specific training? What **level of input** do you have in setting your targets and criteria for assessment if any? Does employees have much of an **involvement** or say in the organisational plans? Do you feel that you are **listened** to by management? Do you think this is what was **intended** and what the organisation was hoping for? Prompt: If no, do you think management would be **surprised** by this? Do you expect that people management strategies are **flexible** enough to facilitate business change and unforeseen circumstances? Any examples? Why?	
Consistency			
Instrumentality - The degree to which HR practices and programs positively	1. The suggestions, procedures, and practices developed by the HR department, actually add value to the	Do you feel the **criteria** used in appraisals reflects what you do in your job? Do you think your performance is **captured** well, both technical and behavioural? Are there tasks that do not get captured?	**Consistency** Is there any issues with requests/**mixed messages** from different managers?

influence levels of motivation, competence, and empowerment (Delery and Shaw 2001) and are thus able to steer behaviour of employees in the desired direction	functioning of the organization (Delmotte et al., 2012) 2. The HR practices in this organisaiton do not contribute to employees motivation (Delmotte et al, 2012) 3. The compensation system is developed in such a way that desired performance is reinforced (Delmotte et al, 2012) 4. The HR instruments for employees appraisal succeed in encouraging the desired behaviour(Delmotte et al, 2012) 5. The HR department does not succeed in actively changing employees' behaviour (Delmotte et al, 2012) 1. HR practices in my organisation contribute to having highly skilled employees (Gomes et al., 2010) 2. HR practices contribute to improve performance in this organisation (Gomes et al., 2010)	How well do the criteria in appraisals relate to or are consistent with the **organisational objectives**? Do you believe they encourage the **desired behaviour**? If no formal performance appraisal exists, Tell me about how performance is assessed? Do you think performance assessment is captured realistically and fairly? What **type of behaviour gets the largest rewards** (financial and praise), in essence; what activities/behaviour is perceived most important? Creativity/hardwork/innovation etc. Do you feel the compensation system reinforces the desired behaviour? How? Do you think this is reflective of the appraisal criteria?	Which is more important: what management say or what they do? Is there consistency between **actions and words**? Do they **follow through** on promises? Reflecting on the people management approach, do you think the HR function/activities are successful in achieving the desired/required behaviour? Are they consistent with the organisations goals? Does the organisation's approach and your **package make sense** to you? Following on then, do you think there any inconsistencies between how **people are treated** and the **intentions/plans of the organisation**? Any examples? Prompt: Do you think there is a coherent philosophy behind choosing them.
Validity - The degree to which there is an agreement between what HR practices purport to do and what they actually do	1. I feel that the criteria used in this organisation's performance appraisal reflects what employees do in their job (Gomes et al., 2010) 2. In my organisation skills and competencies acquired through training are applied to the work we do (Gomes et al., 2010) 3. The HR practices implemented in this organisation sound good in theory, but do not function in practice (Delmotte et al, 2012) 4. The appraisal procedure developed by the HR department, has in practice other	Do you feel your training reflect what you are doing? Is it **appropriate**? Does the training meet your **requirements and expectations** of the job? Are there areas where you feel you would benefit from **further training** Use for **Management**: 'I feel the criteria used in this organisation's performance appraisal reflects what employees do in their job' – validity Do your rewards **make sense** for what you do? Are HR practices very **formalised** or ah-hoc and reactive to situations? Essentially, do rules and procedures govern consistency? Is your employment relationship (total package) formal enough or too ad-hoc and reactive?	

	effects than the intended effects (Delmotte et al, 2012) 5. There is a wide gap between intended and actual effects (Delmotte et al, 2012) 6. One can have faith that the HR practices realize the intended purpose (Delmotte et al, 2012)	Which is more important: what management say or what they do? Is there consistency between actions and words? Do they follow through on promises?	
Consistency of HRM message - The degree of compatibility between HR practices (Baron and Kreps 1999), of continuity and stability of HR practices over time and of agreement between words and deeds	1. The aims of HR practices in my organisation fit together well (Gomes et al., 2010) 2. HR practices complement each other and contribute to meeting organisational goals (Gomes et al., 2010) 3. HR practices are consistently applied over time (Gomes et al., 2010) 4. In this organisation, HR policy changes every other minute (Delmotte et al, 2012) 5. The various HR initiatives send inconsistent signals (Delmotte et al, 2012) 6. The successive initiatives introduced by the HR department often clash badly (Delmotte et al, 2012) 7. In this organisation, there is clear consistency of HRM messages between words and deeds of the HR department (Delmotte et al, 2012)	Do you think the HR activities **fit together well/complement each other**? Are there any inconsistencies between them? Do any **contradict** each other? Typical example: Expecting people to work as a team while assessing them individually. Are you aware of any **common criteria** that management see as a priority/requirement for all employees? How do you get **rewarded**? What processes are involved? Are rewards **standardised** or **individualised**? Is it **performance based**? Are they **individually or group based**? Who **controls** the rewards, are they centrally distributed or does your direct supervisor have autonomy/discretion? What type of behaviour gets the largest rewards (financial and praise), in essence; what activities/behaviour is perceived most important? Creativity/hardwork/innovation etc. Are 'HR practices consistently applied over **time**'? Prompt: Does the message change over time?	
Consensus			
Agreement among principal HR decision makers - The degree to which HR decision makers share the same vision and are	1. Managers in my organisation agree on how to follow HR guidelines (Gomes et al., 2010) 2. HR practices are applied consistently across departments in my organisation (Gomes et al.) 3. 'HR practices are	What **type of behaviour gets the largest rewards** Is this the **same** for all management? Do you think **management** are in **agreement** about how employees should be **treated**? Do they sing from the same hymn sheet?	**Consensus**

on the same wavelength	delivered by mutual agreement between HR management and line management' (Li et al., 2011) HR management and line management are clearly on the same wavelength (Delmotte et al, 2012) All HR employees members in this organisation mutually agree with the manner in which employees are managed (Delmotte et al, 2012) Top management and HR management clearly share the same vision(Delmotte et al, 2012) Management unanimously supports HR policy in this organisation (Delmotte et al, 2012) HR management in this organisation is established by mutual agreement between HR management and line management (Delmotte et al, 2012)	Do managers treat employees **similarly**? Does the approach change from **manager to manager**? Prompt: Essentially; is there a ***consistent*** approach/application/delivery applied by all managers Do managers use much of their **own discretion**? Prompt: For example in rewards and appraisals?	
Fairness – Is there both procedural and distributive justice	1. Supervisors make an effort to treat employees fairly (Gomes et al., 2010) 2. In my organisation, rewards are given to those who really deserve them (Gomes et al., 2010) 3. In this organisation, the distribution of bonuses and other rewards is perceived as fair by employees (Delmotte et al, 2012) 4. In this organisation, employees consider promotions as fair (Delmotte et al, 2012) 5. If employees perform well, they get the necessary recognition and rewards (Delmotte et al, 2012)	How do you feel about **career**/growth opportunities within the organisation? Do you believe rewards are distributed **fairly**? . Are you **involved** in setting targets/rewards or are they imposed? Do you feel the process is fair? How do you feel about the HR activities and how you are **treated**? Do they work for you? Prompt: **Satisfied/Dissatisfied/ confused**/ don't understand/ feel positive. How does this organisation compare to **previous** organisations you have worked for?	

	6. In this organisation, rewards are clearly related to performance (Delmotte et al, 2012) 7. In this organisation, the results of the yearly appraisals are generally considered as fair (Delmotte et al, 2012) 8. The HR department regularly takes decisions based on favouritism (Delmotte et al, 2012) 9. Some employees in this organisation get preferential treatment because they are friends with HR employees (Delmotte et al, 2012) 10. The HR department takes decisions with two shapes and sizes in this organisation (Delmotte et al, 2012) 11. The HR department makes decisions in an impartial way in this organisation (Delmotte et al, 2012)		

Appendix 4.3 Interview template

Structured Interviews (Version 5)

Statement:

For the purposes of the study; the HRM function and the approach to managing staff are interchangeable.

SECTION A

Background Questions:

1. How long are you in this organisation? In years and months? ______________

2. What is your current job title:

- Which of the following headings would best describe it:

Top Management ____ Middle Management ____ Professional ___

Administrative ____ Technical ____ Manual ____

SECTION B

Business Strategy (Management and Employees):

1. [36]What is the organisations business/competitive strategy?
Prompt:

(a) Why do clients choose you? OR
(b) What makes you different to your competitors? *(What are you really good at?) OR*

(c) If you had to choose a competitive strategy from cost/quality/innovation, which one would you choose and why?

2. Does the organisation have clear strategic objectives/plans/set of intentions? Do you know how your activities/tasks fit into the organisation's plans? Do you know how to contribute to the realisation of the organisation's objectives?
Examples???

SECTION C

HR Strategy (Management and employees):

3. Could you give me **one or two words** to describe the organisation's approach to managing people? Is there a clear philosophy/climate/culture in place? Could you describe it?

[36] Background Questions 3-10 were removed to the end of the interview. This is an original copy.

Prompt:
What's the atmosphere like?

4. Do you think this described philosophy or people management approach **supports** the business objectives?

5. Could you describe or think of any organisational/HR processes or **activities** that support the philosophy and the business objectives? For example: training or rewards. How do they?

6. Following on then, do you think there any inconsistencies between how **people are treated** and the **intentions/plans of the organisation**? Any examples?
   Prompt:
   Do you think there is a coherent philosophy behind choosing them.

7. If you were to think of the **ideal employee**; what are their characteristics and how would you describe them?

8. Who is the **person** with most/key responsibility for Human Resource/People Management? Do you know what level they hold in the management structure?
9. Is the role of HRM/approach to people management **obvious** to you as an employee?
   Prompt:
   Do you understand the practices adopted and what is expected of you from them?

10. Do you see HR as having **high credibility** within the organisation? Do you see people management strategies as a high priority in this company and if so, why?

11. Does the HR function (the approach to managing people – added by author) make you feel **more confident of your ability** to do your job? (Li et al. 2011)

12. **Management Question** only:
    What **support structures** exist for management with respect to the roll out of HR activities? Examples? – **Sufficient training**/instructions etc.

SECTION D
HR Functions (management and employees):

We must capture the what, why, how and how well of the HR functions? We must establish the practices, try and understand if there was a rationale for their choice (why were they chosen), how they were implemented and how well they were perceived (effective or not in steering employee's behaviour).

Job Design:

a) Were you provided with a **clear job description**/set of expectations when starting here or in your current role?
b) How are **jobs designed** and by whom? Prompt: Job design – what you do on a daily basis. Are you told **what** to do, but also are you told **how** to do it?
1. Are they **imposed and standardised** or a joint process between management and staff?
i. Probe: What are the **levels of autonomy/challenge**/ repetition/ procedures and guidelines?
2. What's your view on the processes? Do you feel **sufficiently involved** in the design of your job?
3. Who do you get your work tasks/job instructions from? Is there a **clear line** of direction and supervision?
4. Can you get tasks/instructions/deadlines from **multiple sources**? What happens if you get direction/tasks from someone other than your direct manager? Is there any issues with requests/**mixed messages** from different managers?

Resourcing: Recruitment and Selection

a) How did you come to **work** in this organisation? Describe the process involved; what was the experience like? – any features stand out? What was your **first impression/perception** of the organisation at the recruitment phase?
b) What was your **perception** of the organisation in your induction? Did the induction process work well for you? Did you feel that you had an understanding of what you had to do and what the organisation does?
c) How do you feel about **career**/growth opportunities within the organisation?

Training and Development:

a) Tell me about the **training/development** opportunities in this organisation? Are there any **processes involved** in deciding on training requirements? Who decides?
1. Is training defined for you or is it self-directed?
2. Is it carried out in-house/ on the job or externally?
3. Is it broad development skills or narrow task specific training?
b) Do you feel your training reflect what you are doing? Is it **appropriate**?
c) Does the training meet your **requirements and expectations** of the job?
d) Are there areas where you feel you would benefit from **further training**?

Performance:

a) Do you know what is **expected** of you in terms of performance? **How**? Any examples?
1. How are you **assessed**? Please describe the process and your thoughts on it? Is there a formal performance appraisal? Does informal feedback play a role?
   Probe: Any positives/negatives?

2. Do you feel the **criteria** used in appraisals reflects what you do in your job? Do you think your performance is **captured** well, both technical and behavioural ? Are there tasks that do not get captured?

b) What **level of input** do you have in setting your targets and criteria for assessment if any?

c) Are you aware of any **common criteria** that management see as a priority/requirement for all employees?
d) How well do the criteria in appraisals relate to or are consistent with the **organisational objectives**? Do you believe they encourage the **desired behaviour**?
e) If no formal performance appraisal exists,
Tell me about how performance is assessed? Do you think performance assessment is captured realistically and fairly?

Rewards:

a) How do you get **rewarded**? What processes are involved? Are rewards **standardised** or **individualised**? Is it **performance based**? Are they **individually or group based**?
b) Do you believe rewards are distributed **fairly**? . Are you **involved** in setting targets/rewards or are they imposed? Do you feel the process is fair?
c) Other than financial rewards, how important are **intrinsic** rewards?
Probe: Feedback; praise and recognition.

d) Who **controls** the rewards, are they centrally distributed or does your direct supervisor have autonomy/discretion?
e) What **type of behaviour gets the largest rewards** (financial and praise), in essence; what activities/behaviour is perceived most important?
Creativity/hardwork/innovation etc.
f) Is this the **same** for all management?
g) Do you feel the compensation system reinforces the desired behaviour? How?
Do you think this is reflective of the appraisal criteria?
Do your rewards **make sense** for what you do?

Employment relations and involvement:

a) How do you **hear** about organisational plans/key decisions and changes?
Prompt:

How is information passed through the organisation?
Do you feel adequately informed of key decisions in the organisation

b) Does staff have much of an **involvement** or say in the organisational plans? Do you feel that you are **listened** to by management?

SECTION E

General HRM function:

13. Reflecting on all the HR functions as a **collective bundle** or the general approach to staff:
a) How do you feel about the HR activities and how you are **treated**? Do they work for you?
Prompt:
Satisfied/Dissatisfied/ confused/ don't understand/ feel positive.

b) Do you think this is what was **intended** and what the organisation was hoping for?

Prompt:
If no, do you think management would be **surprised** by this?

c) Do you think the HR activities **fit together well/complement each other**? Are there any inconsistencies between them? Do any **contradict** each other?
Typical example:
Expecting people to work as a team while assessing them individually.

d) Are 'HR practices consistently applied over **time**'?
Prompt:
Does the message change over time?

14. Which is more important: what management say or what they do? Is there consistency between **actions and words**? Do they **follow through** on promises?
15. Are HR practices very **formalised** or ah-hoc and reactive to situations? Essentially, do rules and procedures govern consistency? Is your employment relationship (total package) formal enough or too ad-hoc and reactive?

16. Do you think **management** are in **agreement** about how staff should be **treated**? Do they sing from the same hymn sheet?
17. Do managers treat employees **similarly**? Does the approach change from **manager to manager**?
    Prompt:

    Essentially; is there a ***consistent*** approach/application/delivery applied by all managers
18. Do managers use much of their **own discretion**?
    Prompt:
    For example in rewards and appraisals?

19. Reflecting on the people management approach, do you think the HR function/activities are successful in achieving the desired/required behaviour? Are they consistent with the organisations goals? Does the organisation's approach and your **package make sense** to you?

SECTION F

General Questions:

1. Do you think the organisation's **size** has any impact on the way it approaches HR or people management (HR functionality)?
2. How does this organisation compare to **previous** organisations you have worked for?
3. What do you think are the **key challenges** this organisation faces when it comes to people management?
4. Could you suggest any **recommendations** or changes to how staff is managed?
5. Do you expect that people management strategies are **flexible** enough to facilitate business change and unforeseen circumstances? Any examples? Why?

6. Could you **sum up the culture**, in a word or two? Is there a distinct or clear climate/culture present in the organisation?

7. Finally, is there **anything** on this topic you feel we haven't covered or would like to add?

SECTION G (background questions cont'd from SECTION A)

Background Questions for participants:

Please consider the following:

3. Male ______ Female __________
4. What age category do you fit into?

0-25 ___________ 25-35 _________ 35-45 ________

45-55 _________ 55 + __________

5. Nationality ______________________
6. What is your highest level of formal education?

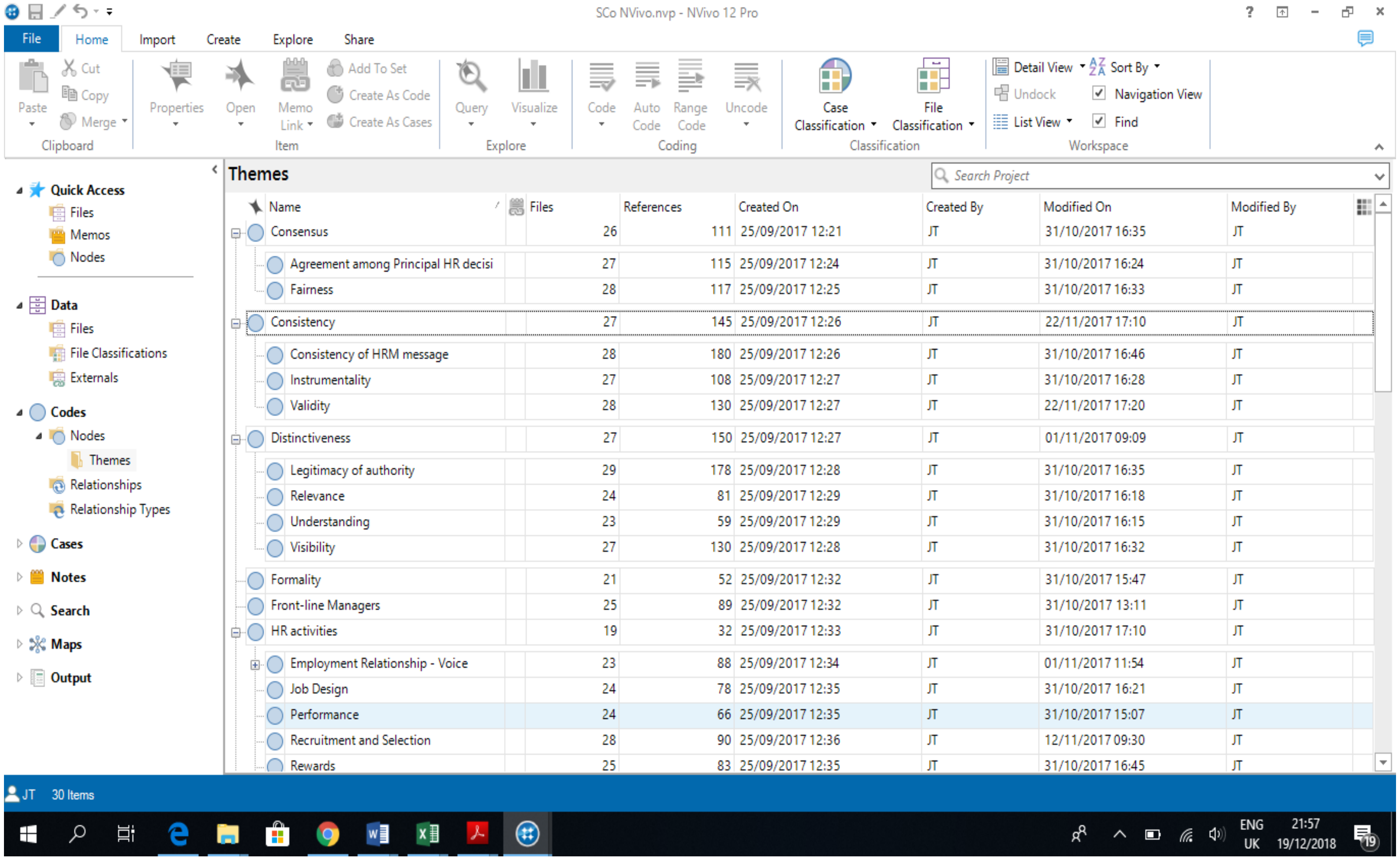
- Junior Cert _____
- Leaving Cert _____
- Degree _____
- Masters or equivalent (eg. accountant) _____
- Other, please specify _____

7. What type of employment contract do you have with the organisation?

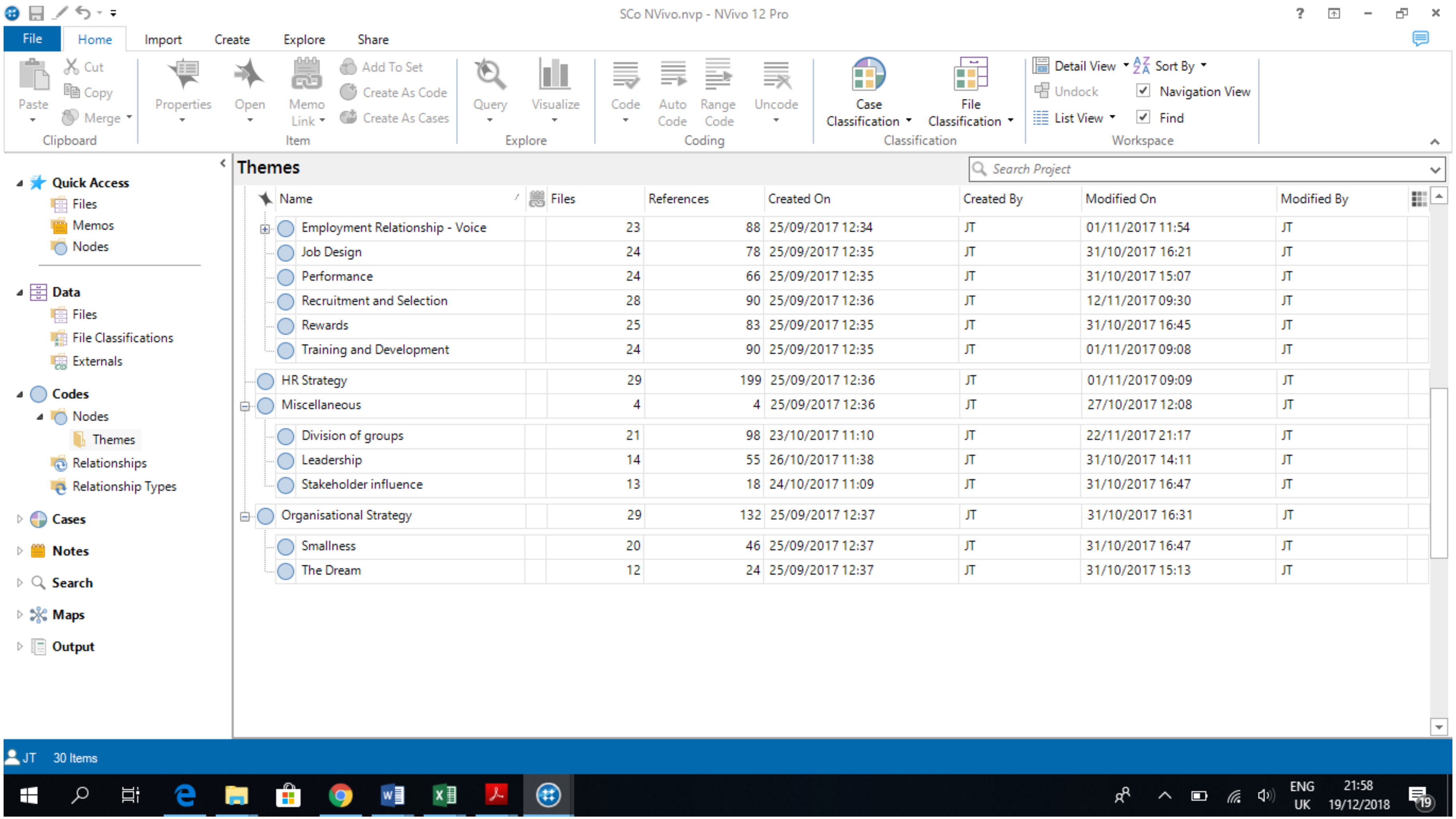
	Full-time	Part-time
Permanent		
Temporary		
Probation		

8. How many years work experience do you have?___________
9. How many organisations have you worked in?_____________
10. Do you manage or supervise other employees? Yes _____ No ______. If so, would they be considered to be front-line employees? Yes ________ No ______
11. Are you a member of a union? Yes ____ No ______

Appendix 4.4 Nvivo Template



Name	Files	References	Created On	Created By	Modified On	Modified By
Consensus	26	111	25/09/2017 12:21	JT	31/10/2017 16:35	JT
Agreement among Principal HR decisi	27	115	25/09/2017 12:24	JT	31/10/2017 16:24	JT
Fairness	28	117	25/09/2017 12:25	JT	31/10/2017 16:33	JT
Consistency	27	145	25/09/2017 12:26	JT	22/11/2017 17:10	JT
Consistency of HRM message	28	180	25/09/2017 12:26	JT	31/10/2017 16:46	JT
Instrumentality	27	108	25/09/2017 12:27	JT	31/10/2017 16:28	JT
Validity	28	130	25/09/2017 12:27	JT	22/11/2017 17:20	JT
Distinctiveness	27	150	25/09/2017 12:27	JT	01/11/2017 09:09	JT
Legitimacy of authority	29	178	25/09/2017 12:28	JT	31/10/2017 16:35	JT
Relevance	24	81	25/09/2017 12:29	JT	31/10/2017 16:18	JT
Understanding	23	59	25/09/2017 12:29	JT	31/10/2017 16:15	JT
Visibility	27	130	25/09/2017 12:28	JT	31/10/2017 16:32	JT
Formality	21	52	25/09/2017 12:32	JT	31/10/2017 15:47	JT
Front-line Managers	25	89	25/09/2017 12:32	JT	31/10/2017 13:11	JT
HR activities	19	32	25/09/2017 12:33	JT	31/10/2017 17:10	JT
Employment Relationship - Voice	23	88	25/09/2017 12:34	JT	01/11/2017 11:54	JT
Job Design	24	78	25/09/2017 12:35	JT	31/10/2017 16:21	JT
Performance	24	66	25/09/2017 12:35	JT	31/10/2017 15:07	JT
Recruitment and Selection	28	90	25/09/2017 12:36	JT	12/11/2017 09:30	JT
Rewards	25	83	25/09/2017 12:35	JT	31/10/2017 16:45	JT


SCo NVivo.nvp - NVivo 12 Pro
File
Home
Import
Create
Explore
Share
Paste
Cut
Copy
Merge
Clipboard
Properties
Open
Memo Link
Add To Set
Create As Code
Create As Cases
Item
Query
Visualize
Explore
Code
Auto Code
Range Code
Uncode
Coding
Case Classification
File Classification
Classification
Detail View
Sort By
Undock
Navigation View
List View
Find
Workspace
Quick Access
Files
Memos
Nodes
Data
Files
File Classifications
Externals
Codes
Nodes
Themes
Relationships
Relationship Types
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Employment Relationship - Voice 23 88 25/09/2017 12:34 JT 01/11/2017 11:54 JT
Job Design 24 78 25/09/2017 12:35 JT 31/10/2017 16:21 JT
Performance 24 66 25/09/2017 12:35 JT 31/10/2017 15:07 JT
Recruitment and Selection 28 90 25/09/2017 12:36 JT 12/11/2017 09:30 JT
Rewards 25 83 25/09/2017 12:35 JT 31/10/2017 16:45 JT
Training and Development 24 90 25/09/2017 12:35 JT 01/11/2017 09:08 JT
HR Strategy 29 199 25/09/2017 12:36 JT 01/11/2017 09:09 JT
Miscellaneous 4 4 25/09/2017 12:36 JT 27/10/2017 12:08 JT
Division of groups 21 98 23/10/2017 11:10 JT 22/11/2017 21:17 JT
Leadership 14 55 26/10/2017 11:38 JT 31/10/2017 14:11 JT
Stakeholder influence 13 18 24/10/2017 11:09 JT 31/10/2017 16:47 JT
Organisational Strategy 29 132 25/09/2017 12:37 JT 31/10/2017 16:31 JT
Smallness 20 46 25/09/2017 12:37 JT 31/10/2017 16:47 JT
The Dream 12 24 25/09/2017 12:37 JT 31/10/2017 15:13 JT
JT
30 Items
ENG
UK
21:58
19/12/2018

Appendix 5.1 Summary of demographics of CloudCo

Demographics CloudCo	

Summary

% interviewed **91%**

Age Profile		
0-25	6	21%
25-35	12	41%
35-45	9	31%
45-55	1	3%

Number of previous organisations		
1-2	3	10%
2-5	17	59%
5-10	5	17%
10+	N/A	

Years of Experience		
Less than 2	3	10%
2-5 years	2	7%
5-10 years	4	14%
10 +	19	66%

Qualifications		
Leaving Cert	8	28%
Degree	9	31%
Masters or Equivalent	5	17%
Other - IT based	7	24%

Gender		
Male	23	79%
Female	6	21%

Function		
Finance & Admin	4	14%
Operations (Tech)	14	48%
Sales & Development	11	38%
	29	100%

Length of Service		
Less than 1 year	11	38%
1-3 years	14	48%
3+ years	4	14%

Management Level		
Top Mgt	3	10%
Middle	6	21%
Front Line	20	69%

Nationality		
Irish	25	86%
Other	4	14%

Source: compiled by the author

Appendix 5.2 Summary of Vertical and Horizontal Alignment (VA and HA) in CloudCo

	Recruitment and Selection	**Training and Development**	**Performance**	**Rewards**	**Employment Relationship**	**Job Design**	**Pfeffer's Best Practice (high commitment)**
Recruitment and Selection	Multifaceted Search and Selection – numerous rounds – person organisation fit						Consistent with selective hiring and intensive selection
Training and Development	Significant investment in search and selection conflicts with a lack of development opportunities	A lack of a structural and planned approach. Self-driven					Inconsistent with extensive training, learning and development
Performance	Introduction of PA's consistent with investment in R and S	Inconsistency between outcomes of PA's and T and D opportunities	Roll out of PA's – need more formality, and clarity in terms of objectives and KPIs				Performance not tied to rewards with the exception of sales
Rewards	Below average pay inconsistent with extensive search and selection	Exam bonuses aligned with T and D needs, however, lack of T and D to compensate for low pay	Investment in PA's not aligned with lack of incentives for higher performance	Standardised within job titles, however inconsistency in PRP			Inconsistent with high pay contingent on performance

Employment Relationship	Consistency between person-organisation fit	Lack of structured approach, reliant on close working relationships and goodwill	Opportunity to voice and influence performance assessment	Climate and close working relationships compensating for low pay	Strong working relationships with open door policy		Employee involvement at operational but not business or strategic level
Job Design	Inconsistency between person over skills selection criteria and structure to job	Inconsistency between lack of experience and lack of development opportunities	CRM ensures consistency between tasks completed and measured	Lack of alignment between KPIs and rewards – standard within groups	Traditionally no ‘micro-management’ inconsistent with introduction of CRM system	Presently staff are told ‘what’ but not ‘how’, with very little ‘micro management’ however CRM brings standardisation of processes	Employment security provided and internal promotion is limited but encouraged and envisaged. Self-management encouraged.
Motivation and Commitment	Intensive R and S processes supports the selection of motivated and committed staff	Lack of development opportunities leading to low motivation and commitment	More formality required, but employees positive about opportunity to influence assessment	Majority lack an incentive to perform higher	Positive working climate suggests people are happy to go to work	Some control over ‘how’ you do your job is motivating, however, standardisation threatens motivation of those recruited to date	Some but not all of the practices lead to higher motivation and commitment. Pfeffer’s best practices – high commitment?

Appendix 6.1 Summary of demographics of TalentCo

Demographics - TalentCo

			Total	
% Interviewed		28	36	**78%**

Age Profile		
0-25	2	7%
25-35	14	50%
35-45	8	29%
45-55	4	14%

Number of previous organisations		
1-2	8	29%
2-5	10	36%
5-10	6	21%
10+	4	14%

Years of Experience		
Less than 2	2	7%
2-5 years	4	14%
5-10 years	7	25%
10 +	15	54%

Qualifications		
Leaving Cert	6	21%
Degree	13	46%
Masters or Equivalent	9	32%

Gender		
Male	11	39%
Female	17	61%

Functional Area		
Operations, Account Mgt & Admin - OPs	9	32%
Sales & Development - Sales	13	46%
Technical - TE	6	21%

Length of Service		
Less than 1 year	15	54%
1-3 years	6	21%
3+ years	7	25%

Management Level		
Top	2	7%
Middle	3	11%
Front-line staff	23	82%

Nationality		
Irish	22	79%
Other	6	21%

Appendix 6.2 Summary of Vertical and Horizontal Alignment (VA and HA) in TalentCo

	Recruitment and Selection	**Training and Development**	**Performance**	**Rewards**	**Employment Relationship and Employee Involvement**	**Job Design**	**Pfeffers' Best practices for High Commitment**
Recruitment and Selection	Person organisation fit, word of mouth, and 3 rounds of selection. Recent large scale recruitment based on attitude insufficient with a '50/50' success rate.						Consistency with selective hiring and intensive selection. Recent efforts less intensive
Training and development	Recruitment based primarily on attitude and personality requires greater investment in T & D.	Reactive with lack of structure and planned approach – self driven. Historics – broader development.					Inconsistent, with extensive training learning and development
Performance	Greater consistency between performance and KSAs needed Introduction of PA's consistent with investment in R and S	Lack of alignment between performance and training plans	Proximity of senior mgt and CRM system enables awareness. Growth in formal PAs. Focus on sales and revenue.				Above average performance in pockets AM and TE. Performance tied to pay by MBOs and incentives
Rewards	Below average pay consistent with location but scarce resources locally. Prioritising attitude over experience.	T and D opportunities 'sold' to staff not materialising. On the contrary - TE team – learning and challenging work effective	Incentives offered across the org.	Rewards are tied to performance through targets, MBOs and incentives			Consistent with incentive based pay, but not above average
Employment relationship + Employee Involvement	Consistency between person organisation fit – but not effective recently	Formerly effective given close working relationships and collaboration-shadowing Newbies – divide prevents collaborative learning	Historics and functional areas (contingent on mgt style) input into targets. Newbies – targets top down – external (investor) influence	Historics – strong 'family feel' compensating for lower pay. Newbies – poor relationships failing to compensate for low pay	Historics – strong bond and family feel – 'cult' like. Newbies – less loyalty and more transactional type of relationship. NO real involvement – MD controls		Employee involvement at operational but not business or strategic level

Job Design	Inconsistency between KSA recruited versus autonomy required – hence increased micro management	Gradual on the job training and workshadowing worked best. Autonomy inhibited by lack of T & D, and experience.	Proximity and CRM system ensures consistency between tasks completed and measured	Clarity between tasks and rewards – known in advance. Withdrawal of flexibility inconsistent with past	Introduction of micro management inconsistent with traditional approach – 'provided you are getting job done' – withdrawal of flexibility	Traditionally the 'what' existed but not so much the 'how'. Historics – greater trust and autonomy Newbies – less trust in ability and micro-management emerging	Internal promotion is available and supported. Self management being eroded by micro management – necessary for under/poor performance
Motivation and commitment to the TalentCo way of High Quality	Recruiting passionate and enthusiastic staff is a positive. However, recent recruitment needs to be more contingent on KSAs. Risk of overselling a 'dream'	Lack of structure to T & D opportunities affecting motivation – career plans missing. Lack of organisational growth reducing opportunities.	Staff aware of their ability to influence performance. TE and AM motivated by tasks and challenge, however, SD demotivated by unrealistic targets.	Unrealistic incentives lack relevance and instrumentality. . Rewards based solely on revenue risk affecting quality – 'below list selling'. Consensus that revenue is the priority.	Positive working environment within clusters and teams, however, divide between historics and newbies affects morale	Historics motivated by opportunity and challenge with autonomy over how. Increase in micro management for newbies threatens to undermine	Inconsistent adoption of best practices – some clusters (TE and AM) experiencing practices more akin to BP. Resulting in higher motivation and commitment.

Appendix 7 Ethics Committee Approval

8th Sept 2015

Mr John Trehy
DCU Business School

REC Reference: **DCUREC/2015/176**

Proposal Title: **An exploration of Human Resource Management (HRM) effectiveness in a small firm context.**

Applicant(s): **Mr John Trehy, Dr Brian Harney**

Dear John,

Further to expedited review, the DCU Research Ethics Committee approves this research proposal.

Materials used to recruit participants should note that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee.

Should substantial modifications to the research protocol be required at a later stage, a further amendment submission should be made to the REC.

Yours sincerely,

Dónal O'Mathúna

Dr Dónal O'Mathúna
Chairperson
DCU Research Ethics Committee

DCU
Research & Innovation