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The Internal Organizational Factors and External Environmental Factors Affecting the Implementation and Management of the HR Department: A Case Study of Kearys

Eva Spitere

School of Business, Cork Institute of Technology, Cork, Ireland.

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The Internal Organizational Factors and External Environmental Factors Affecting the Implementation and Management of the HR Department: A Case Study of Kearsys

EVA SPITERE
CORK INSTITUTE of TECHNOLOGY

The Internal Organizational Factors and External Environmental Factors Affecting the Implementation and Management of the HR Department: A Case Study of Kearys

By

Eva Spiteri BCL, MBS

School of Business
Submission for the Award of Master of Arts in Human Resource Management

Research Supervisor: Dr Deirdre O’Donovan

SUBMITTED TO CORK INSTITUTE of TECHNOLOGY
AUGUST 2017
The author hereby declares that, except where
duly acknowledged, this thesis is entirely her own work
and has not been submitted for any
degree in any University or Institute of Technology.

Name (Researcher)  
Date

Name (Supervisor)  
Date
To Fil, without whose unwavering support this thesis would not have been possible.
Abstract

Globalisation and an increased demand for competitive advantage have caused the contemporary HR department to face additional pressure to provide strategic value to the organization. To do so, the HR department must integrate with overall business strategy and continually monitor both the internal and external environments in which the organization operates. This thesis focuses on identifying these internal organizational factors and external environmental factors, and exploring how these factors can affect the implementation and management of a new HR department within an already established organization.

Given the unique position of the researcher, who is currently solely responsible for the establishment of a new HR department within Kearys, this long-established firm was chosen as the organization upon which this study would be based. Semi-structured in-depth interviews were conducted on 10 internal mid and senior level managers and two external HR professionals who have previous experience of working within HR in the motor industry.

A number of salient findings emerged through the analysis of the in-depth interview results. First, the significant lack of information and practical guidance available in relation to setting up a HR department within an established organization became abundantly apparent through the analysis of current literature as well as the in-depth interview results.

Through the identification of internal organizational factors and external environmental factors it became evident that many of these factors can be interlinked and that the internal and external environments in which the organization operates should therefore, be analysed as a whole as opposed to identifying individual factors. Furthermore, employee, line management and top management buy-in and support were identified as the factors most likely to determine the success or failure of a new HR department.

A fourth key finding highlighted the importance of effective, consistent internal communication across the organization during all stages of the HR department’s implementation. Finally, the inconsistent expectations of management in relation to the purpose of the HR department was also highlighted as one of the biggest challenges facing the new HR department within Kearys and indeed, HR departments across a wider context.
Acknowledgements

Foremost, I would like to express my sincere gratitude to my supervisor, Dr Deirdre O’Donovan. Dr O’Donovan’s advice and guidance has been invaluable throughout the entire research process and it has been both an honour and a privilege to learn from such an accomplished academic.

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I would also like to thank both external HR professionals who agreed to be interviewed as part of this study. Their willingness to assist in furthering my research was both inspiring and humbling while the insight and knowledge they contributed was invaluable.

My sincere gratitude and thanks must also go to my family and friends. Their support and encouragement was a key ingredient to the successful completion of this research. They were always on hand to lend a sympathetic ear and at times to offer a very much needed distraction.

Last but by no means least, I would like to sincerely thank my partner, Fil. His willingness to ‘pick up the slack’ in all other areas while I was in ‘thesis mode’ was both admirable and truly appreciated. Without his steadfast support, encouragement and confidence in my ability, this thesis would not have been possible.
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Chapter 1. Introduction

1.1 Background of the Study

A single conclusive definition of HRM does not exist within current literature. Definitions range from detailed to simplistic. While some definitions view employees as an organization's single greatest asset (Armstrong, 2006; Guest, 1987), others view them as a cost to be minimized (Beardwell and Claydon, 2007).

In contrast, current literature offers a more general consensus in relation to the history and evolution of HRM. It proposes the existence of six main periods which have seen the function originate from 'social justice' in the 19th century (Torrington et al., 2008) before evolving into contemporary HRM. This evolution is generally associated with a shift from traditional personnel management to modern-day strategic HRM (Heathfield, 2016; Torrington et al., 2008; Armstrong, 1999) and has been driven by increased globalization and demand for competitive advantage (Torrington et al., 2008). HR literature, therefore, suggests that the evolution of HRM has seen the concept change from a largely administrative, short term and ad-hoc function into a strategic, long term one concerned with achieving corporate goals and strategy. As a result, more contemporary sources emphasise the importance of strategic HR activities (Bratton and Gold, 2007; Armstrong, 2014) as opposed to older sources which place more emphasis on administrative functions (Armstrong, 1999).

The contemporary HR department therefore, faces additional pressure to add strategic value to the organization and should aim to strategically integrate HR strategy with the organization's overall business strategy (Armstrong, 2006). In order to align and integrate with overall business strategy, it is proposed that the HR function must monitor, understand and adapt to internal organizational factors and external environmental factors (May, 2016). If a HR function should fail to recognise, analyse and adapt to the internal and external environment in which it operates it will fail to successfully implement and manage a HR department which ultimately meets the needs of the organization. While current literature is resolute in its proposal that new and existing HR departments can and must assist an organization in achieving overall organizational goals and business strategy, it offers limited guidance on how to successfully implement a HR department in the first instance. While this limited guidance
varies in scope, detail and instruction across different sources, all sources appear to offer a list of what needs to be done to set up a HR department without outlining how to do it (Laird, 2016; Heathfield, 2016; SHRM, 2015). Indeed, the guidelines offered by current literature are largely theoretical and insubstantial and provide very little value in practice. As such, the implementation and management of a new HR department within an already established organization taking both internal organizational factors and external environmental factors into consideration does not appear to have been previously explored in depth by current literature.

1.2 Research Rationale, Aims and Objectives

Kearys Motor Group (Kearys) was first established in 1985 by Managing Director, Bill Keary. Kearys currently maintains approximately 33% of the market share within Munster and operates nine dealerships across Cork County. As of August 2017, the organization employed 303 employees with this number set to grow to approximately 330 employees by the end of the year. In January 2016, the decision was made to employ a HR professional with the responsibility of establishing a dedicated HR department within the organization. As a result, a Group HR Executive, solely responsible for the implementation and management of a new HR department within Kearys, was appointed in February 2016. At this time, employees numbered approximately 240. Prior to the appointment of the Group HR Executive there was no dedicated HR department or function in operation. Instead, ad hoc HR activities and administration were being carried out by approximately 30 to 35 line managers across the organization.

The researcher currently has the sole responsibility of implementing and managing a new HR department within Kearys. It was the desire to capitalise upon this unique position combined with the belief, acquired through the analysis of current literature, that failure to account for both internal organizational factors and external environmental factors will result in failure to successfully implement and manage a new HR department which were the driving factors behind this study. Furthermore, the researcher believed that understanding how internal and external factors can affect the implementation and management of the new HR department within Kearys, would enable the researcher to produce a theoretical foundation for further research to be conducted in a wider context as well as a set of practical guidelines for implementing a new HR department within an established organization.
The primary aim of this research was therefore, to identify and analyse both the internal organizational factors and external environmental factors which have the potential to affect the implementation and management of the new HR function within Kearys. Furthermore, the study aimed to produce a set of practical guidelines for the implementation of a new HR department taking both internal and external factors into consideration.

When attempting to determine which research methodological approach would be most effective in achieving the overall aim of this research, the researcher considered both a qualitative and quantitative research methodological approach as well as a mixed-method approach. Considering limited previous research had been conducted in relation to this area of study and the researcher did not possess the requisite knowledge to create an effective quantitative research instrument, it was decided a qualitative research approach would be most appropriate. Furthermore, the qualitative research instrument of semi-structured in-depth interviews was considered as the most suitable research tool to use.

Semi-structured in-depth interviews were chosen to enable the researcher to acquire specific knowledge capable of being compared and contrasted with information acquired through subsequent interviews as well as allowing the researcher the flexibility to probe for further information should additional noteworthy revelations occur. Due to time constraints 12 in-depth interviews were conducted, 10 of which were with internal Kearys employees and two with external HR professionals with previous experience within the motor industry.

The objectives of this study were to:

- Conduct a detailed literature review of current literature relating to the research question in order to establish a theoretical framework upon which to base further research.
- Gain a deeper understanding of the internal organizational factors and external environmental factors affecting the implementation and management of the HR function within Kearys by utilising the qualitative research technique of semi-structured interviews with mid and senior level employees.
- Gain a deeper understanding of the internal organizational factors and external environmental factors which can affect the implementation and management of a HR
function in general by utilising the qualitative research technique of semi-structured interviews with established HR professionals within the motor industry.

- Identify and analyse the internal organizational factors and external environmental factors affecting the implementation and management of the HR function within Kearys and generally within the motor industry by using the findings and analysis of the semi-structured interviews.
- Devise a number of recommendations to provide a foundation for further research relating to how the internal and external environment in which an organization operates can impact the HR function within a wider context.
- Devise a model and set of practical guidelines on how to implement a new HR department within an already established organization taking internal organizational factors and external environmental factors into consideration.

1.3 Chapter Outline

Chapter 2, The Literature Review, discusses the current literature relating to this area of study. Initially, the controversy surrounding literature’s attempts to define HRM is considered before the concept’s origin and its journey to contemporary HRM is briefly outlined. The similarities and disparities relating to literature’s proposed functions of the modern HR department are then outlined. In addition, the second chapter explores the current guidelines, or lack thereof, available within current literature on how to set up a HR department as well as how the HR function has evolved from administrative to strategic. Finally, this chapter explores current literature in relation to internal organizational factors including: organization size, organization structure, organization vision and mission, organization history, tradition and past practice, top management and line management, as well as external environmental factors including; socio-cultural, technological, economic, environmental, political, legal and ethical which can affect the implementation and management of a HR function.

The third chapter, Methodology, discusses the rationale behind the study and defines the research question, aim and objectives of the study. In addition, the chosen research methodological approach for the study is discussed as is the philosophy of the research. This chapter further discusses the chosen research tool, semi-structured in-depth interviews, as well
as sampling, gaining access, coding and the analysis of data collected through the in-depth interviews. Finally, this chapter outlines the ethical considerations of the research study.

Chapter 4, Findings and Analysis, discusses and analyses the results attained through the semi-structured in-depth interviews. The driving factors, communication and reaction surrounding the appointment of the Group HR Executive and implementation of the HR department were first discussed where it was found that the implementation of the HR department was driven primarily by management needs as opposed to employee needs and that significant internal communication issues exist within the organization. In addition, this chapter outlines the impact, challenges, responsibilities and representation of the developing HR department within Karys as proposed by respondents where employee, line management and top management buy-in and support are highlighted as critical to the successful establishment and operation of a new HR department. Thirdly, this chapter discusses and analyses both the internal organizational factors and the external environmental factors suggested by respondents as existing within Karys and the motor industry with the potential to impact the implementation and management of the new HR function. Furthermore, this chapter discusses how these internal and external factors should not be examined in isolation of each other as they will often have the potential to impact and influence one another. Finally, this chapter analyses respondents’ advice and recommendations in relation to improving the efficiency of the current HR department as well as how to implement a HR department in an already established organization.

Chapter 5, the final chapter, summarises the key findings of this study. The key findings specify that the internal and external environments in which an organization operates will have a significant impact on the implementation and management of a new HR department, employee, line management and top management buy-in and support is critical for the establishment and operation of a new HR department, the role and function of HR is still widely misunderstood and underappreciated, effective, frequent internal communication is essential for the successful implementation and management of a new HR department and that there is a significant deficit of information and guidance available on how to set up a HR department within an established organization. In addition, this chapter outlines the limitations of this research as well as the researcher’s proposed HR Department Implementation Process Model and guidelines on how to implement a new HR department within an already established organization. Finally, this
chapter outlines recommendations for future research as well as summarising the overall conclusion of this study.

1.4 Conclusion

This chapter first outlined the background of this study before discussing the study’s rationale, aims and objectives. In addition, this chapter provided a brief overview of the content of each subsequent chapter. The following chapter, Chapter 2, will outline the current literature relating to several key topics within Human Resource Management.
Chapter 2: Literature Review
Chapter 2. Literature Review

2.1 Introduction

This chapter will discuss the current literature pertaining to a number of key areas within Human Resource Management (HRM). It will first examine the definition and concept of HRM before looking at both the history of HRM and the functions of the HR department. This chapter will then examine the current literature relating to setting up a HR department before going on to study the evolution of the HR function from traditional to strategic. Finally, this chapter will examine both the internal and external factors which can potentially affect the implementation and management of a HR function.

2.2 Human Resource Management: Definition and Concept

Based on the definitions of HRM offered by current literature, it can be suggested that the task of defining HRM is fraught with controversy. According to Bratton and Gold (2007), much of this controversy appears to stem from the lack of agreement in relation to HRM’s underlying philosophy, character, precise formulation and significance. Indeed, when discussing attempts to define the meaning of HRM, Storey (2007: 6) notes that:

Controversy in the area of meaning turns on the imprecision, variability, ambiguity and even contradictions that have been seen to imbue the construct.

Furthermore, while summarising modern HR literature’s attempt to define HRM, Storey (2007: 6) notes that:

On the one hand, HRM is used as a generic term simply denoting any approach to employment management while, on the other, HRM is used to refer to one specific and arguably minority form of approach to employment management. Both forms are defensible and both are in current use.

In a similar vein, Beardwell and Claydon (2010) suggest that some use the term HRM as a generic term to describe any approach to the management of employees, some use the term HRM to describe the activities more commonly referred to as ‘personnel management’ while others use the term HRM to describe a new or modern approach to the management of
employees which differs significantly from traditional practices. As a result, Watson (2002:369) suggests that a 'rather messy situation' currently exists due to the variety of ways in which the term HRM is being used. Marchington and Wilkinson (2008) and Boxall and Purcell (2008), for example, offer a simplistic or generic definition of HRM. In particular, Boxall and Purcell (2008) use the term HRM as a means of referring to all activities relating to the management of employment relationships within an organization. In contrast, Storey (2007:7) offers a more detailed definition of HRM describing it as:

A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic development of a highly committed and capable workforce, using an array of cultural, structural and personnel techniques.

In addition to this, Beardwell and Claydon (2010) note that some of the earliest attempts to define HRM drew a distinction between the 'soft' and 'hard' variants of the concept. In summation, Beardwell and Claydon (2010) state that 'soft HRM' definitions were used to describe approaches concerned with enhancing the 'commitment, quality and flexibility' of employees while 'hard HRM' definitions were used to describe the use of employees as a means of achieving organizational goals similar to any other resource available to the business.

Among the 'soft HRM' definitions, Guest (1987) considers employees as a fundamental asset of an organisation worthy of continued investment and development facilitated by the HR function. By the same token, Armstrong (2006:3) describes HRM as:

A strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives.

In contrast to the view of employees being regarded as assets, Beardwell and Claydon (2010) consider employees as a cost which must be minimised by the HR function and propose that HRM should place an emphasis on achieving organizational goals as opposed to individual employee goals. Distinguishing between 'hard' and 'soft' HRM as a means of defining the overall concept however, is still considered problematic. As suggested by Legge (2005), 'soft' and 'hard' HRM are not necessarily incompatible as 'hard' HRM approaches can contain elements of 'soft' HRM practices while 'soft' HRM practices can deliver 'hard' results.
Additionally, while ‘soft HRM’ approaches are traditionally seen as being people-focused and ‘hard HRM’ as organization-focused, many definitions of HRM believe its purpose is to produce a combination of both employee and business benefits. Cascio (1998: 2) for example, defines HRM as:

*The attraction, selection, retention, development and the use of human resources in order to achieve both individual and organisational objectives.*

Graham (1978: 4) approaches the definition of HRM from a similar perspective and proposes that the purpose of HRM is to ensure that:

*The employees of an organization are used in such a way that the employer obtains the greatest possible benefit from their abilities and the employees obtain both material and psychological rewards from their work.*

Finally, Marchington and Wilkinson (2012) also note that HRM rhetoric can vary greatly from reality, taking many different forms in practice across diverse organizations. As a result, it is suggested that:

*HRM cannot be analysed in isolation from the wider strategic objectives of employers and measured against these, specifically the need to satisfy stakeholders, or (in the public sector) government and societal demands for efficiency and effectiveness (Marchington and Wilkinson, 2012: 3).*

Ultimately, HR literature does not appear to offer one conclusive definition of HRM but rather a multitude of variations in its understanding and analysis of the concept. The origins and history of HRM however, appear to attract more general consensus from relevant literature.

### 2.3 The History of Human Resource Management

While HR literature appears to be somewhat divided in relation to defining HRM, there does appear to be a general consensus relating to the evolution or history of the concept itself. Torrington *et al.* (2008) identify five main periods or ‘themes’ within the history of personnel management and its transition into present day contemporary HRM. They describe the first
theme as ‘social justice’ originating from the welfare approach adopted by a small number of employers in 19th century Britain. According to Beardwell and Claydon (2010: 6), a similar approach was also adopted by ‘welfare capitalist employers’ in the United States during the 1930’s who believed that:

*The organization, rather than third-party institutions such as state or trade unions, should provide for the security and welfare of workers.*

As a result, these welfare capitalist employers introduced a number of initiatives into the workplace including performance-related pay, team-working, profit-sharing schemes, healthcare cover, pension plans, the promotion of organizational culture and the introduction of employee surveys (Beardwell and Claydon, 2010).

Torrington *et al.* (2008) refer to the second theme as the period of ‘human bureaucracy’, influenced by the works of Taylor (1911), Fayol (1916) and Mayo (1933). Taylor’s ‘scientific management’ principles were founded on the belief that improved approaches to employee management could lead to greater organizational efficiency and performance. According to Roche *et al.* (1998: 2), Taylor’s scientific management principles encouraged the introduction of more systematic approaches in areas such as ‘job design and payment schemes.’ Furthermore, Roche *et al.* (1998: 2) state that:

*Its historical significance from a personnel perspective was to shift the emphasis of personnel work away from the employee-orientated ‘caring/do-gooding’ agenda of the welfare tradition towards a managerial ‘efficiency/profitability’ agenda.*

Torrington *et al.* (2008) refer to the third theme as the period of ‘negotiated consent’ encouraged by the increasing influence of trade unions in the 1960’s. According to Farnham (2010), this period of ‘negotiated consent’ materialised as an attempt to both contain union power as well as manage workers by using representative systems and collective agreements. As a result, industrial relations became the priority of most personnel specialists and helped to position the function in a more central (although largely reactive) management role (Roche *et al.*, 1998).

The fourth theme is referred to as the period of ‘organization’ characterized by a switch in focus from dealing with employees on behalf of management to dealing with management and the
integration of managerial activity (Torrington et al., 2008). Activities during this period were focused on the development of career paths, workforce planning and opportunities for individual employee growth (Farnham, 2010).

The fifth theme is known as the period of ‘human resource management’ (Torrington et al., 2008). According to Beardwell and Claydon (2010), this period emerged during the 1980s as a result of the introduction of new technology, the recession and increased product marketing competition. This period continued to develop throughout the 1990s and 2000s due to continuing globalization and the emergence of ‘neo-liberal economic policies’ and was characterized by its focus on viewing employees as individuals, planning, monitoring and control as well as performance management (Farnham, 2010).

According to Bach (2005), a sixth theme titled ‘new HR’ with a ‘new trajectory’ has emerged in recent times due to continued and increased employer demands for competitive advantage. According to Farnham (2010: 6) this most recent theme has emerged in response to long term trends within the business context including:

A global perspective, issues of legal compliance, the emergence of ‘multi-employer networks’ (or ‘permeable organizations’), engagement of individual employees emotionally at work, and a customer-centred focus in business.

Furthermore, Lepak and Snell (2007) believe this theme highlights a shift in focus to the ‘management of people’ within organizations as opposed to the ‘management of jobs’.

This increased demand for competitive advantage as well as continued innovation in relation to organizational and HR structuring has resulted in the rise of HR shared services in recent years (Reilly, 2000). Reilly (2000: 1) further states that:

Various organizations have chosen to concentrate their administrative personnel activities in what is frequently described as a centralised shared service. Sometimes this move is described as creating a back-office function, where administrative processing is carried out separately from the main HR group.
The establishment of HR shared services is driven by a number of advantages including; a reduction in cost and duplicated effort, improved quality of service to customers, greater HR focus on strategy, shared know-how as well as the fact that it may operate as a precursor to outsourcing and a potential profit centre (CIPD, 2016). Furthermore, technological advancements, particularly in the area of communications, has facilitated and encouraged the existence of HR shared services (Reilly, 2000).

In addition to the rise of HR shared services, the outsourcing of HR functions has also seen a significant increase in recent years. In the USA, for example, increased government regulation and corporate taxation, higher wages and less business friendly policies are encouraging organisations to rethink locations in which to base their operations (Heathfield, 2016). In an era of increased globalization, it is therefore understandable that organizations seek global markets more so than local markets so that economic factors in a single location do not disrupt progress (Heathfield, 2016).

Other recent trends within HR include an increase in the consumerization of HR i.e. creating a 'social, mobile, and consumer-style experience for employees inside the company' (Meister, 2016: online), treating employees as individuals as opposed to Generation X, Y or Z (Moran, 2016), HR becoming an increasingly data rich part of the organization (Morgan, 2016) as well as a shift from work-life balance to work-life integration (Morgan, 2016). In contrast to the origins and history of HRM, current literature appears to contain both similarities and disparities in relation to the components and functions of HRM.

2.4 Human Resource Management Functions

While Bratton and Gold (2007: 15) acknowledge that there is no one universally agreed upon definition of HRM, they also state more generally that:

*HRM is a body of knowledge and a set of policies and practices that shape the nature of work and regulate the employment relationship.*

According to Armstrong (1999) and Bratton and Gold (2007), the key functions of the HRM department can be broken down into nine key headings. In contrast, the more recent work of Armstrong (2014) and the CIPD (2017) propose that the central activities of the HR department
comprise of five and six key areas respectively. As illustrated by Table 2.1 below, these four bodies of work share a number of parallels as well as disparities.

**Table 2.1 Comparison of Armstrong (1999), Bratton and Gold (2007), Armstrong (2014) and the CIPD’s (2017) key function of the HRM department.**

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<tbody>
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<td>Organization Development</td>
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<td>2 The Employment Relationship</td>
<td>Managing Relationships</td>
<td>Employee Relations</td>
<td>Employee Relations</td>
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<td>3 Resourcing</td>
<td>Staffing</td>
<td>People Resourcing</td>
<td>Recruitment and Talent Planning</td>
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<td>4 Reward Management</td>
<td>Motivating</td>
<td>Reward Management</td>
<td>Performance and Reward</td>
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</tr>
<tr>
<td>5 Human Resource Development</td>
<td>Developing</td>
<td>Learning and Development</td>
<td>Learning and Development</td>
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<tr>
<td>6 Health &amp; Safety and Employee Services</td>
<td>Designing</td>
<td></td>
<td>Employee Engagement</td>
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<td>7 Performance Management</td>
<td>Integrating</td>
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<tr>
<td>8 Employee Relations</td>
<td>Managing Change</td>
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<tr>
<td>9 Employment and HR Administration</td>
<td>Evaluating</td>
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Armstrong’s (1999) first heading ‘Organization’ includes activities such as organizational design, job design and role building and organizational development. Armstrong (1999) proposes that the purpose of these activities is to develop an integrated and flexible organization which caters for effective communication and decision-making. Similarly, Armstrong’s (2014) heading ‘Organization’ also refers to activities such as organizational design, organizational development and job design. Armstrong (2014) does however, also make reference to the activity of knowledge management which appears to suggest an increased awareness/desire for long term HR strategy focus.

On a similar note, Bratton and Gold’s (2007) first heading ‘Planning’ includes forecasting future HR needs taking into consideration organizational structure, culture, technology and
leadership. In contrast, CIPD’s (2017) ‘Organizational Development’ heading simply refers to change management and assisting the organization in remaining agile in order to cope with the challenges presented by a fast-paced, dynamic external environment.

The ‘Employment Relationship’, Armstrong’s (1999) second heading, involves creating a climate of trust and a positive psychological contract with the employee to develop a high-commitment organization. While Bratton and Gold’s (2007) second heading ‘Managing Relationships’ also refers to building cooperative relationships with employees it also makes reference to building positive relationships with trade unions. Similarly, Armstrong’s (2014) ‘Employee Relations’ heading refers to nurturing the employee relationship but also makes reference to managing industrial relations as well as the importance of effective communication and recognising the employee voice. In a similar vein, the CIPD’s (2017) ‘Employee Relations’ heading refers to developing efficient working relationships across the organization, building a culture of trust as well as managing relations with trade unions and workplace conflict.

Bratton and Gold’s (2007) ‘Staffing’ heading refers to using activities such as planning, job analysis, recruitment and selection to acquire people with the requisite skills, knowledge and abilities as required by the organization. Likewise, Armstrong’s (1999) ‘Resourcing’ heading refers to activities such as assessing future people requirements in terms of both numbers and level of skill as well as fulfilling these requirements through recruitment and selection. While Armstrong’s (2014) ‘People Resourcing’ heading also refers to activities such as recruitment and selection and workforce planning, it also makes reference to a number of other activities such as health and safety, employee well-being, HR policies and procedures, employment law compliance and e-HRM. Armstrong’s (2014) ‘People Resourcing’ heading also refers to the activity of assessing future people requirements under the title of ‘Talent Management’. This would suggest therefore, that Armstrong (2014) views the area of ‘People Resourcing’ as a much more robust activity carried out by the HR department in comparison to Armstrong (1999) and Bratton and Gold (2007). Similarly, the CIPD’s (2017) ‘Recruitment and Talent Planning’ heading refers to assessing and fulfilling both short-term and long-term requirements but emphasises the need to take into account the changing dynamics of the labour market, demographics, employee turnover and skills shortages.
Armstrong's (1999) fourth heading 'Reward Management' includes activities such as job evaluation, developing and implementing pay structures, relating rewards to effort, results, competence and skill, providing employees with recognition, increased responsibility and opportunities for growth as well as providing additional benefits which cater to employee personal security and needs. Likewise, Armstrong's (2014) 'Reward Management' heading refers to activities such as job evaluation/pay surveys, base pay management, merit pay and employee benefits management. Similarly, the CIPD's (2017) heading 'Performance and Reward' includes recognising and rewarding employee's values, behaviours, attitudes, skills and contributions, setting salary scales, creating incentive and recognition schemes and managing employee benefits. In contrast, Bratton and Gold (2007) provide a much briefer description of their fourth heading 'Motivating' as simply referring to the design and administration of reward systems.

In his fifth heading 'Human Resource Development', Armstrong (1999) proposes that this activity involves providing both employees and managers with learning opportunities, career growth and enhanced employability as well as planning and developing the careers of high potential employees. While Bratton and Gold's (2007) 'Developing' heading refers to analysing the learning requirements needed by employees it does not make specific reference to the learning requirements of managers nor the career development of high potential employees. In contrast, Armstrong's (2014) 'Learning and Development' heading refers to both organizational learning and individual learning as well as management development, performance management and engagement. On a different note, the CIPD's (2017) 'Learning and Development' heading primarily focuses on aligning and integrating learning, training and development activities with organizational priorities.

Interestingly, the CIPD's (2017) list of key HR activities is the only one to dedicate a separate heading to 'Employee Engagement'. While Armstrong (2014) refers to employee engagement under the heading of 'Learning and Development', Armstrong (1999) and Bratton and Gold (2007) do not make any reference to same. According to the CIPD (2017), 'employee engagement' refers to employer branding, internal communications and building a connection between the employee and the organization in order to instil employee loyalty and pride. Being the most current source, the CIPD's emphasis on employee engagement suggests that it is something to which the modern HR department must give increased attention and consideration.
Bratton and Gold’s (2007) heading of ‘Designing’ and Armstrong’s (1999) heading of ‘Health & Safety and Employee Services’ are similar in nature. Armstrong (1999) proposes this function involves developing and administering health and safety protocols as well as providing welfare services for employees. In a similar vein, Bratton and Gold (2007) refer to the design and maintenance of work systems that promote employee safety, health and wellbeing. While Armstrong (2014) refers to health and safety under the heading ‘People Resourcing’, the CIPD (2017) does not make any reference to it.

Furthermore, Bratton and Gold (2007) include ‘Managing Change’ as one of the key functions of the HR department referring to the need to communicate the organization’s vision and expectations for performance to employees as well as the capability to reorganize and reallocate people and other resources in order to facilitate change. Similarly, the CIPD (2017) include the need of the HR department to help manage change under the heading of ‘Organization Development’ as mentioned above. In contrast, Armstrong does not make any reference to the need of the HR department to manage or assist in change implementation in either his 1999 or 2014 list of key activities of the HR department.


Bratton and Gold (2007) make reference to the HR function’s need to integrate or link HRM to the strategic management processes of the organization. Similarly, the CIPD (2017) indicates the need for strategic integration between HR and business strategy. In contrast, while Armstrong (1999) alludes to the need for HRM to encourage integration within the organization, Armstrong (1999) does not appear to place as much as an emphasis on the need for strategic integration. In his later work, however, Armstrong (2014) appears to place greater emphasis on the importance of the HR function strategically integrating with the organization and overall business strategy. Similar to Bratton and Gold (2007), Armstrong (2014) recognises
the additional pressures faced by the modern HR department to add economic value to the organization and proposes that:

*HR activities can be divided into two broad categories: 1) transformational (strategic) activities that are concerned with developing organizational effectiveness and the alignment and implementation of HR and business strategies; 2) transactional activities, which cover the main areas of HR service delivery – resourcing, learning and development, reward and employee relations (Armstrong, 2014: 38).*

Additionally, Bratton and Gold (2007) state that one of the key activities of the HRM function is to assess and design the processes and procedures used to measure, evaluate and communicate the value added to the organization by both HR practices and the entire HR system as a whole. In contrast to this, neither Armstrong (1999) nor the CIPD (2017) make any reference to the need for the HRM function to evaluate its own effectiveness or to highlight the value it adds to the organization. Armstrong (2014: 41), however, suggests that:

*It is necessary to evaluate the contribution of the HR function to establish how effective it is at both the strategic level and in terms of service delivery and support. The prime criteria for evaluating the work of the function are its ability to operate strategically and its capacity to deliver the levels of services required.*

Hence, the work of Bratton and Gold (2007) and Armstrong (2014) would seem to highlight the additional pressures for contemporary HR strategy to integrate with overall organizational strategy as well as continually emphasizing the economic value it provides to the organization.

The literature in relation to the functions of the HR department, therefore, appears to suggest that while the scope and activities of the HR department will vary across organizations, industries, locations etc., there is a shift in focus away from traditional, administrative activities to more strategic activities. In addition to this, the modern HR department faces additional pressures to justify its activities, provide economic value to the organization and to integrate HR strategy with overall organizational strategies. Therefore, integration and evaluation have become key functions for the modern HR department. Similar to the components and functions of the HR department, current literature relating to the implementation of a HR department offers both consensus and disagreement across varying sources.
2.5 Setting Up a HR Department

While current literature does attempt to offer some guidance in relation to the steps that must be taken when setting up a HR department, this guidance appears to vary dramatically across sources and ultimately fails to provide a concise or detailed step by step explanation. As seen in Table 2.2 below, the list of steps provided by Laird (2016), RecruiterBox (2013), Heathfield (2016) and the Society for Human Resource Management (SHRM) (2015) differ in a variety of ways.

Firstly, Laird (2016) seems to focus more on the documents that a HR department should ensure are in place within an organization e.g. employment contracts, employee handbooks, job descriptions etc. As a result, Laird (2016) appears to concentrate more on the infrastructural and administrative tools and systems required by the HR department as opposed to its strategies, policies and procedures. In contrast, RecruiterBox (2013) and the SHRM (2015) reference both document and policy and strategy creation and implementation as key activities when setting up a HR department.

In addition to this, both Heathfield (2016) and the SHRM (2015) note the need to gain buy-in and support from senior management in order to successfully implement HR strategies, policies and practice. Indeed, Heathfield (2016) appears to primarily focus on understanding the expectations of senior management and gaining their support but does not detail what needs to be done once this support is received. Heathfield (2016) proposes meeting with the senior management team to first gain an understanding as to why the need for a HR department has arisen, what their expectations and priorities are for the HR department as well as gaining both their support and commitment in relation to the HR department’s proposed goals and strategies.

Similarly, the SHRM (2015) suggest that it is critical for HR professionals to both create and discuss their HR plan with senior management to gain their input as well as their buy-in. On a similar note, Armstrong (1999) also makes reference to the ability of both employees and management to create barriers to the successful implementation of a new HR department and highlights the importance of gaining their buy-in and support. In contrast, both Laird (2016) and RecruiterBox (2013) fail to make any such reference to the importance of either management or employee buy-in when setting up a HR department.
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<tbody>
<tr>
<td>1 Employment Contracts</td>
<td>Job Profiles</td>
<td>Determine management’s expectations for the HR department</td>
<td>HR audit/assessment</td>
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<tr>
<td>2 Employee Handbook</td>
<td>Company Structure</td>
<td>Understand the current/existing HR processes (if any) in place</td>
<td>HR Action Plan &amp; gain buy-in from senior management</td>
</tr>
<tr>
<td>3 Job Descriptions</td>
<td>Business Staffing Plan</td>
<td>Meet with other managers and employees across the organization to understand their expectations</td>
<td>HR Staffing Plan</td>
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<tr>
<td>4 Hiring Process</td>
<td>Implement a Candidate Tracking System</td>
<td>Construct a HR plan</td>
<td>HR Budget</td>
</tr>
<tr>
<td>5 Performance Management &amp; Involuntary Terminations</td>
<td>Salary Structure Document</td>
<td>Get buy-in from senior management</td>
<td>Employment Law Attorney</td>
</tr>
<tr>
<td>6 Manager Guides</td>
<td>Compensation &amp; Benefits Structure</td>
<td></td>
<td>Tax Obligations &amp; Mandatory Benefits</td>
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<tr>
<td>7 Time Reporting System</td>
<td>Working Hours &amp; Leave Policy</td>
<td></td>
<td>Payroll System &amp; Administration</td>
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<tr>
<td>8 Employee Data &amp; Reporting</td>
<td>Performance Management System</td>
<td></td>
<td>Companywide Staffing Plan</td>
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<tr>
<td>9 Web Career Pages</td>
<td>Travel &amp; Expense Tracking System</td>
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<td>Job Descriptions</td>
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<td>10 Time &amp; Attendance System</td>
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<td>Pay Structures</td>
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<td>11 Devise Turnover Strategy</td>
<td></td>
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<td>Benefit Plans &amp; Administration</td>
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<tr>
<td>12 Training &amp; Development Plan</td>
<td></td>
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<td>Employee Handbook</td>
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<td>13 Job Description Template</td>
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<td>Safety Procedures</td>
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<td>Employment Posters</td>
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<td>17</td>
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<td>Performance Evaluation Process</td>
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Laird (2016: online), RecruiterBox (2013: online), Heathfield (2016: online), SHRM (2015: online).
Furthermore, the SHRM (2015) and Heathfield (2016) both propose that one of the first steps which should be undertaken when setting up a new HR department is to conduct an audit or an assessment of what processes, policies, procedures etc. are in place (if any). The SHRM (2015: online) further state that:

> Even in an organization without a formal HR department, HR-related policies have been created, and tasks are being performed. Instead of starting from scratch, HR professionals can take stock of what HR activities are currently being done in the organization, and evaluate them. HR audits can help evaluate the effectiveness and performance of HR programs and services and expose opportunities to enhance, change or remove programs and processes.

Similarly, Heathfield (2016) suggests that learning and understanding the processes and systems already in place within the organization is one of the essential first steps for a new HR employee. In contrast, neither Laird (2016) nor RecruiterBox (2013) suggest conducting a HR audit or assessment before implementing a new HR department, policy or strategy.

Finally, while all of the lists in Figure 2.2 vary according to scope, detail and direction they do all have one thing in common. While each list provides some semblance of guidance or direction on the steps to be carried out when setting up a HR department, they all describe what needs to be done but fail to explain how to go about doing it. This suggests that current literature provides a theoretical overview of how to set up a HR department, but does not provide a practical, detailed step by step guide which has been tested in practice. In contrast, HR literature offers a much clearer general consensus in relation to the evolution of the HR function.

2.6 The Evolution of HRM: From Traditional to Strategic

According to HR literature, the evolution of the HR function is generally associated with a shift from traditional personnel management to modern-day strategic HRM (Heathfield, 2016; Torrington et al., 2008; Armstrong, 1999). While some critics view HRM as simply a relabelling or repackaging of personnel management and are sceptical as to any additional value offered by HRM to the organization (Blyton and Turnbull, 1992; Noon, 1992), others propose that HRM represents a new approach to managing people (Bratton and Gold, 2007). Hendry and Pettigrew (1990), for example, propose that HRM can be perceived as a view on
personnel management and that the strategic character of HRM is in itself distinctive. Similarly, Armstrong (1999: 11) notes that:

*HRM is regarded by some personnel managers as just a set of initials or old wine in new bottles. It could indeed be no more or no less than another name for personnel management, but as usually perceived, at least it has the virtue of emphasizing the virtue of treating people as a key resource, the management of which is the direct concern of top management as part of the strategic planning process of the enterprise.*

Torrington and Hall (1991) distinguish between personnel management and HRM by noting that personnel management is 'workforce centred' directing itself to employees, while HRM is 'resource centred' concerning itself with the overall human resource requirements of the organization. Torrington *et al.* (2008) distinguish between 'HRM mark 1' and 'HRM mark 2' describing 'HRM mark 1' as a generic term used to describe the management activities traditionally labelled as personnel management. They consider the objectives of these management activities as largely concerned with staffing, change management, performance and administration. In contrast to this, Torrington *et al.* (2008: 6) describe 'HRM mark 2' as a distinctive approach to HRM concerned with people-positioned organizational activities with the aim of achieving organisational goals through the management of employees. Furthermore, Guest (1987) views the function of 'HRM mark 1' as short term and ad-hoc and 'HRM mark 2' as long term and strategic.

Additionally, Bratton and Gold (2007) proposes that HRM place more emphasis on the importance of the 'psychological contract' as compared to personnel management noting an intentional effort by HRM to encourage symbiotic, mutual commitment and obligation between both the employee and the organization. On a similar note, Guest (1998: 42) suggests that the concept of employee commitment *'lies at the heart of any analysis of HRM'*. Furthermore, the HRM concept places additional emphasis on the importance of learning in the workplace as well as the idea of viewing the employee as an individual who can be motivated and managed in such a way as to achieve both individual and organizational goals (Bratton and Gold, 2007).

While the majority of the current literature emphasizes the differences between personnel management and HRM, it is important to note that many similarities between the two concepts also exist. This is illustrated by the fact that many HRM techniques could exist within either a
traditional personnel management or contemporary HRM model (Keenoy, 1990). Similarly, Armstrong (1999: 11) states that 'when comparing HRM and personnel management, more similarities emerge than differences.' Armstrong (1999: 11), however, also notes that:

Concepts such as strategic integration, cultural management, commitment, total quality, and investing in human capital, together with unitary philosophy (the interest of management and employees coincide), are essential parts of the HRM model. And this model fits the way in which organizations have to do business and manage their resources in the environments in which they now exist.

While it is important to understand the shift from traditional personnel management to contemporary HRM and the similarities and disparities that exist between the two concepts, it is also interesting to study why this shift has occurred. In an attempt to explain the reasons for said shift, May (2016: online) notes that:

The shift from "personnel" to "human resources," for example, was part of the movement to acknowledge the value of employees as an organizational resource, and was an attempt to remove some of the stigma that was coming to be associated with slow, bureaucratic personnel departments.

Furthermore, current literature also suggests that this shift has occurred as the modern HR function experiences additional pressure to contribute strategic value to the organization. Heathfield (2016) proposes that contemporary HRM is now expected to add strategic value by ensuring that employee utilization and programs impact the organization in positive quantifiable ways. Furthermore, Torrington et al. (2008), consider this expectation to be driven by the increased desire for competitive advantage and is concerned with aligning long term HR strategy with overall business strategy. Indeed, there appears to be a general consensus within modern HR literature that the effectiveness of a HR strategy or function will be largely determined by the level of integration the HR strategy has with the organization’s overall business strategy. While a variety of HR strategy models exist, Farnham (2010) states that each of these models are supported by the idea that HR policies and practices need to support the goals of the organization in order to be effective.
Similarly, Armstrong (2006) notes that the modern HR function should aim to strategically integrate itself with the organisation's overall business strategy in order to add value to the business. It could, therefore, be suggested that HRM should be defined by the value which it adds to the business (as opposed to just the processes it carries out) and be ultimately responsible for strategy execution, administrative efficiency, employee contribution, and capacity for change (Ulrich, 1998).

As the HR literature appears to offer a clear agreement upon the need for HR strategy to integrate with overall business strategy, it is critical to understand how the HR function can facilitate this integration. In order to achieve this, Farnham (2010: 20) states that:

"HR practitioners need an understanding of their own organisation's strategy, its performance goals and drivers, and the sector in which they work. These cover the market factors impacting upon performance, including demography, customers, competitors and globalisation. They need to know, understand and speak the language of the business they work for and the 'full range of human resources levers' driving organisational performance."

Similarly, May (2016) states that in order to add value to the organisation and achieve integration with overall business strategy, the HR function must understand both the internal organisational factors and the external environmental factors affecting the business, anticipate the resulting HR needs and provide solutions to meet those needs. On a similar note, Hope-Hailey et al. (1997) propose that contextual variables determine the practices of people management as well as the different roles employed by the HR function.

Furthermore, Poole and Jenkins (1997) state that while the internal and external factors affecting the HR function vary widely across geographical locations and organizations, they are generally linked to environmental and organizational characteristics including organizational size and structure, overall business strategy, national and organizational culture, managerial philosophy and industrial sector. Therefore, in order to ensure that HR strategy aids in the achievement of overall business strategy, a thorough understanding of the potential internal and external factors affecting the HR function is critical.
2.7 External Environmental Factors Affecting the HR Function

While highlighting the importance of recognising and understanding the external environment factors affecting the HR function, Farnham (2010: 19) states that:

*The external contexts of HRM are important because HR practices, in any country, are socially embedded in their wider, institutional, external contexts.*

Berger and Luckman (1967) believe these external contexts require HR professionals to adapt their internal organisational structures and behaviours in order to accommodate them. Similarly, Guest (1987) states that the HR function must be ‘vertically integrated’ or have an ‘external fit’ with the business strategy. Furthermore, Farnham (2010) states that the modern HR function must continually scan the business environment for external changes in order to build and adapt HR capability, both at individual and organizational level, to account for these external changes. In order to do this, the HR function needs to operate as an open system, which can change to meet the needs of its external environment (Katz and Kahn, 1966).

In an attempt to summarise the external factors which can affect the management and activities of the HR function, Farnham (2010) relies upon the STEEPLE acronym and believes that most external factors will fall into the categories of socio-cultural, technological, economic, environmental, political, legal and ethical. Similarly, Genc (2014) considers the external factors with the potential to affect the HR function to include; changes in the international economy, changes in technology, changes in the national economy, national culture and traditions, industry/sector characteristics, legislation/regulation, actions of unions, actions of competitors, impact of professional organization’s and HR employee’s experience in other organizations. Furthermore, Armstrong (1999: 18) notes that:

*The external environment impacts on organizations through the forces of competition in national, European and global markets. Organizations are also affected by economic and social trends, developments in new technology and government interventions. The external environment is constantly changing and may be turbulent, even chaotic.*
For the purposes of this report, the researcher has followed the STEEPLE acronym and grouped the external environmental factors affecting the HR function under the categories of socio-cultural, technological, economic, environmental, political, legal and ethical.

2.7.1 Socio-cultural Factors

According to Farnham (2010: 20) socio-cultural factors include:

*Demography by size, age, other social characteristics and geographical distribution, working population, gender, ethnicity, education and training, religion, social values and beliefs.*

Demographics provide a starting point for analysing and understanding the social context in which the HR function operates given that changes to the workforce population and demographics directly affect the size and composition of the workforce (Bratton and Gold, 2007). Furthermore, Bratton and Gold (2007: 144) state that:

*In addition to this, people entering the workforce bring with them different attitudes and values relating to work, parenthood, leisure, notions of 'fairness' and organizational loyalty.*

Therefore, the ability to predict workforce behaviour based on demographic statistics affords the organization a better understanding of its workforce needs and can influence the HR function when creating and implementing HR policies and practices such as recruitment and selection, learning and development and reward management (Bratton and Gold, 2007). In addition to demographics, other social trends, for example, *increased self-satisfaction and personal narcissism* lead to increased individualism and reduced collectivism in the workplace which can in turn lead to increased demand for flexible working arrangements and more individually orientated HR policies and practices (Farnham, 2010).

National culture and traditions may also affect the implementation and management of HR policies and practices (Genc, 2014). As explained by Parker *et al.* (2003), culture is a collective product, consisting of processes and artefacts produced over a long period of time by a large number of individuals. Furthermore, Guirdham (2005) proposes that culture represents an
imperfectly shared system of interrelated understandings, shaped by beliefs, customs, values, communications and identities. As a result, Bratton and Gold (2007) suggest that cultural values are present in all areas of human life and will therefore, influence how people are managed in different societies. Changing cultural views, for example, changes in traditional gender roles affects participation rates in the labour market and as a result, the way in which employees are managed in the workplace (Bratton and Gold, 2007).

2.7.2 Technological Factors

In the past few decades alone, society has been witness to numerous ground-breaking technological innovations and advancements, all of which have implications for organizations, managers and workers (Farnham, 2010). Commenting on the impact of such technological breakthroughs, Armstrong (1999: 19) notes that:

*The technology of the business exerts a major influence on the internal environment — how work is organized, managed and carried out. The introduction of new technology may result in considerable changes to systems and processes. Different skills are required, new methods of working are developed.*

Examples of such technological advancements include email, video-conferencing, world-wide web, HR databases, electronic payroll systems, electronic record systems as well as communication innovations including the iPhone, Google search engine, Twitter, Facebook, LinkedIn, Wikipedia etc. all of which have implications for how people construct their identities and how they are managed at work (Farnham, 2010). In addition to this, Farnham (2010) suggests that advancements in medical and health technologies are extending life expectancies and as a result, how long people will remain and work within the labour market.

Furthermore, Bratton and Gold (2007) suggest that it is technological advances that have assisted the development of global free trade by providing the necessary infrastructure as well as fundamentally transforming the nature of work carried out within organizations. Elaborating further on the transforming nature of work, Armstrong (1999) notes that service industries have become predominant, call centres and teleworking are increasing and manufacturing industries are in decline.
In summation, Soete (2001) notes the following five implications arising out of technological application:

- A reduction in the cost of digital information and communication processing,
- A ‘digital convergence’ between communication and computer technology is making any combination of communication forms possible,
- A rapid growth of international electronic networking,
- Increased communication between individuals within organizations, between organizations and between individuals and machines,
- Physical space and distance becoming increasingly irrelevant in many business, working and human transactions.

2.7.3 Economic Factors

Current literature suggests that there is a general consensus in relation to how both the structure of the economy as well as the fundamental dynamics of business have changed dramatically over the past 20 years (Bratton and Gold, 2007). Bratton and Gold (2007: 128) further propose that economic restructuring, labour market divergence and increased globalization have:

*Profoundly changed the demand and recruitment for HR, the traditional patterns of occupational structure, mobility within the labour market and, more generally, the level of job security and well-being afforded by standard employment.*

In addition to this, the recession of 2008, the slow macro growth in the 2010s and international economic forces have all impacted labour markets dramatically. The increasing influence of international and multinational companies on national economies as well as increasing global competition have contributed to falls in demand for domestic markets and an increase in unemployment. This has in turn impacted upon the demand for labour, supply of labour and the types of labour required and as a result forced organizations to adapt their HR policies and practices accordingly (Farnham, 2010).

Furthermore, Armstrong (1999: 19) notes that:
Global competition in mature production and service sectors is increasing. This is assisted by easily transferable technology and reductions in international trade barriers. Customers are demanding more as new standards are reached through international competition.

As a result, organizations are becoming more customer focused by emphasizing quality and continuous improvement, operating more flexibly, reducing costs and ultimately becoming 'lean and mean'. This has in turn forced the HR function to adapt its policies and practices to account for the increase in downsizing and outsourcing initiatives implemented by such 'customer focused' organizations competing within the global arena (Armstrong, 1999).

2.7.4 Environmental Factors

Growing ecological environmental concerns and the development of international environmental standards have forced many organizations to adopt formal environmental policies and strategies (Sudin, 2011). This has resulted in organizations becoming increasingly interested in sustainable development, investment and consumption by producers, investors and consumers (Farnham, 2010).

In turn, this forces organizations to conduct operations, in both methods of working and investing, that take into consideration the effect the organization will have on the environment as well as its people and communities (Farnham, 2010). This has resulted in the emergence of 'green HR policies' which can include initiatives such as implementing employee wellness programmes or encouraging/rewarding the recycling of office paper, turning off lights and appliances when not in use etc.

Furthermore, the implementation of such initiatives may often require a high level of technical or management skills from employees when taking into consideration the impact these initiatives could have on the organizations overall sustainability and competitiveness (Callenbach et al., 1993). Therefore, the rigorous recruitment and selection of employees and the introduction of learning and development programmes aimed at increasing both employees' environmental awareness and the development of new technical and management competencies are crucial for the successful implementation of ecological environmental strategies and policies (Renwick et al., 2008).
2.7.5 Political Factors

The government and its agencies, also known as the ‘State’, can affect the regulation of the employment relationship and the working lives of millions of people (Bratton and Gold, 2007). Drawing upon the work of Godard (2005), Bratton and Gold (2007: 137) suggest that the State can affect the employment relationship and associated HR strategies by introducing economic policies that influence the labour markets as well as introducing employment legislation which can affect employment rights, pay equality, union relationships, pension laws and occupational health and safety. Elaborating further on the point of increasing State involvement in labour markets, Farnham (2010) suggests that this can provide both an opportunity and a threat to an organization. Farnham (2010) further notes that this State involvement forces the HR function to develop staff retention strategies through development, training and reward of employees due to the decreasing availability of skills and competencies within the open labour market.

Needle (2004) notes however, that the impact of State intervention on organizations is not one way: organizations and business managers can in turn lobby and seek to influence the policies of the State. Furthermore, lobbying can either help decision-makers reach rational and appropriate decisions which positively impacts human development or it can merely serve as means to buying political favours depending on whether those lobbying consider human or environmental development and sustainability a priority or not (Hatcher, 2009).

State political ideologies and political systems change in line with changes within governments, societies, and cultures. According to Hatcher (2009: 6):

*Coups, revolutions, rebellions, wars, economic upheaval, cultural misunderstandings and hostilities, elections, suffrage, and other conflicts and cooperation transform political systems and significantly impact organizations and the development of human and environmental resources.*

2.7.6 Legal Factors

Due to the ever expanding legal landscape of employment, the modern HR department is under continuous pressure to ensure the organization remains compliant and operates within employment legislation (Punia and Sharma, 2015). In the past 15 years alone, Ireland has seen

Furthermore, the introduction of the Workplace Relations Act 2015 established the Workplace Relations Commission (WRC) which has in turn replaced the Labour Relations Commission, Rights Commissioner Service, Equality Tribunal, and National Employment Rights Authority. The WRC was established in order to:

- Promote the improvement of workplace relations,
- Promote and encourage compliance with relevant employment legislation,
- Provide guidance in relation to compliance with codes of practice,
- Conduct reviews of workplace relations,
- Conduct or commission relevant research and provide advice, information and the findings of research to Joint Labour Committees and Joint Industrial Councils,
- Advise the Minister for Jobs, Enterprise and Innovation in relation to the application of, and compliance with, relevant employment legislation,
- Provide information to the public in relation to employment laws other than the Employment Equality Act (information about this Act is provided by the Irish Human Rights and Equality Commission) (workplacerelations.ie, 2017).

In turn, employment legislation as well as regulatory bodies such as the WRC, influence all aspects of the HR function including 'hiring, training, compensation, termination, and much more' (Punia and Sharma, 2015). In addition to this, discrimination law has become increasingly far reaching covering areas of 'sex, equal pay, ethnicity, disability, religion, age, atypical employment etc.' (Farnham, 2010). Furthermore, Farnham (2010) notes that additional areas such as statutory sick pay, family friendly policies, statutory national minimum
wage, transfers of undertakings and human rights are now all recognised fields of employment legislation which HR departments must monitor and ultimately comply with.

2.7.7 Ethical Factors

The concept of corporate ethics believes that ‘moral rules’ should apply to organizations and business behaviour as well as individuals and that certain actions can be deemed wrong/immoral and others can be considered as right/moral (Farnham, 2010). The concept of corporate ethics is however, plagued with issues. The biggest of these issues is that there is no one universal benchmark or standard for morality. As a result, people, organizations and HR departments approach and seek to resolve moral issues in different ways (Sternberg, 2004). On a similar note, Farnham (2010: 26) states that:

*Business ethics, or ethical corporate practices, are both subjective and contingent upon those pursuing or evaluating them.*

Supporters of stockholder theory (i.e. businesses primarily exist to make profit for those that have a share or stock with that business), for example, may argue that there is no need or requirement for businesses to act ethically as the prime responsibility of the organisation is simply to make money. In contrast, however, others may argue that organizations should consider the effect of their actions on all stakeholders (Farnham, 2010). Those arguing for such ‘social responsibility’ therefore, believe that organizations and business is not exempt from ethical concerns and should adapt their actions and HR strategies to recognise, respond to and manage them accordingly (Mellahi and Wood, 2002). In addition to external environmental factors, HR departments must also be aware of internal environmental factors which can impact the implementation and management of the HR function.

2.8 Internal Environmental Factors Affecting the HR Function

In addition to the above noted external factors, HR literature argues that there is also a need for an ‘internal fit’ or ‘horizontal integration’ between different aspects of the HR function in order to ensure a high level of harmony between its various HR strategies and policies. Similarly, Armstrong (1999: 46) notes that:
Horizontal integration is accomplished by developing a coherent—a well-knit—range of interconnected and mutually reinforcing HR policies and practices.

In addition to this, Wood (1995) suggests that the HR function will only add value to the organization by implementing a set of consistent, integrated and synergetic HR policies and practices which recognise and accommodate the organization's internal environment.

As well as the need for 'horizontal integration' and harmonious HR strategies, HR literature also suggests the need for the HR function to identify and account for the internal organizational factors affecting the business and subsequently the HR function. Milkovich and Boudreau (1991), Genc (2014) and Farnham (2010) outline a number of these internal factors as including: organizational size, organizational structure, organizational vision and mission, business and HR strategy, history, tradition and past practices, top management and line management.

2.8.1 Organizational Size

The influence of organizational size on HR practices and policies is well documented by both empirical and theoretical studies. Jackson and Schuler (2005), for example, suggest that HR practices vary according to organizational size. Similarly, Ng and Maki (1993), in a Canadian based study, found that the larger the organization, the more likely it was that the organization would possess the resources to employ skilled HR professionals as well as introduce more formal/sophisticated HR systems. In addition to possessing requisite resources, Fields et al. (2000) propose that the larger the organization, the more pressure it faces to be seen to implement more sophisticated HR systems due to increased visibility. Conversely, however, even though larger organizations may face additional pressure to introduce a more refined HR system, Jackson et al. (1989) found that the percentage of employees who face formal appraisal systems in small firms is higher than those in larger organizations.

In addition to this, Genc (2014: 108) suggests that:

*The size of an organization is also significant for managerial style, in terms of autocratic or participative. Large organizations can be more democratic, so, their departments or branches might be more autonomous.*
As a result, Genc (2014) theorises that HR departments in larger organizations tend to enjoy more autonomy and less control from senior management while HR departments in smaller organizations experience less freedom and are subject to closer monitoring from top management.

2.8.2 Organizational Structure

According to Ivancevich et al. (2006), internal organizational structure is the particular manner in which an organization is arranged in order to achieve its goals. The structure of an organization is essentially either vertical or horizontal (Genc, 2014). Furthermore, Genc (2014: 108) proposes that:

Vertically structured organizations, have hard hierarchy, which reflects centralization. In this type of organization, human resource is under tight control of upper hierarchical levels. On the other hand, horizontal organizational systems provide more flexibility to employees.

Additionally, Jackson et al. (1989) propose that there is a link between organizational structure and types of behaviour in that, for example, product-based organizations may use wages, salaries and rewards to focus and motivate employees and managers. In turn, the HR department is expected to adapt to and implement this strategy accordingly.

2.8.3 Organizational Vision and Mission

Organizational vision is based upon a company’s core beliefs and values and ultimately aims to outline the organization’s purpose and what it hopes to achieve through its existence (Miller, 2014). Miller (2014) further proposes that while the organizational mission statement is similar to the organizational vision in that it outlines the organization’s purpose, the mission statement expresses the organizational vision in practical terms by referencing company goals and outlining the process of how the organizational vision will be achieved. When discussing the influence of organizational vision and mission upon HR practices and policies, Genc (2014: 107) proposes that:
As a mission statement shows the basic reason behind the foundation of an organization, it gives a base, in terms of orientation, to any function of it. Accordingly, human resources policies and practices should be consistent with this statement.

Additionally, Bart and Baetz, (1998), and Bartkus et al. (2002; 2004) propose that mission statements provide a foundation upon which an organization can communicate its values and philosophies to its employees and managers. In turn, these values and philosophies may influence the behaviours and decisions of both employees and managers. As a result, current literature appears to suggest that the HR practices and policies which may affect, influence, motivate or reward the behaviours and decisions of employees and managers need to be aligned with the value and philosophies being communicated by the organization’s vision and mission.

Finally, Evans (2010) proposes that failure to develop and implement a clearly defined organizational vision and mission statement limits opportunities for organizational success by limiting opportunities to attract, engage and retain talent, build organizational culture and increase productivity. Evans (2010) further proposes that the lack of a well-defined organizational vision and mission statement is a disservice to employees as the organization will be unable to illustrate how employees contribute to achieving the organizational vision and mission and ultimately keep employees engaged and productive.

2.8.4 Business and HR Strategy and Objectives

Establishing the long term strategy and objectives of the organization, for example, identifying future product markets and geographical locations in which the organization is most likely to survive and prosper, is a crucial activity all organizations must undertake (Marchington and Wilkinson, 2012).

Goals need to be simple, consistent and long-term, and they need to be pursued with a single minded commitment. The chosen strategy has clear implications for HR policy and practice, as well as for the types of workers needed in the future (Marchington and Wilkinson, 2012: 11).

Similarly, Genc (2014) proposes that HR policies and practices must align with and support overall business strategy and objectives. As a result, HRM functions should consider targets,
purposes, policies and strategies of the organisation when designing and implementing HR policies and practices (Mello, 2006). The reason for this, as suggested by Katou and Budhwar (2007), is that when business strategies and HRM policies are developed simultaneously, they positively affect organizational performance. It is also imperative that HR strategy recognises and adapts to changes in the long term direction of an organization. If, for example, an organization decided to move manufacturing activities to a different location this could potentially have huge implications for future recruitment and selection activities undertaken by the HR department (Marchington and Wilkinson, 2012). Furthermore, the chosen strategy and objectives of the HR department will also influence the diversity and intensity of the HR practices and policies implemented by the HR department (Garavan et al., 2008).

2.8.5 History, Tradition and Past Practices

Past practices, for example, the rewarding of past employee behaviour may set a precedent or an expectation as to what behaviours/characteristics are expected from current and future employee performance. In this way, past practices can influence and 'set the scene' for current and future organizational activities (Genc, 2014). In addition to this, history, traditions and past practices can also be a source of resistance when implementing change or new strategies within the organization (Kane and Palmer, 1995). Furthermore, the internal organizational culture can communicate accepted organizational principles, standards, expectations etc. which can in turn influence and shape employee behaviour and HR practices and policies. Similarly, Ibrahim and Shah (2013: 12) note that:

*There is a relatively small body of research pointing to the systematic differences in the ways which MNCs of different nationalities manage their human resources. A number of generalizations emerge from such studies and they provide substantive support for the notion that nationality is a significant determinant of MNC behaviour.*

Therefore, even when the home base/country of origin of a multi-national organization does not house the majority of sales, operations or employment, it is almost always the primary location of ownership where innovation activities are developed and strategic decisions are made (Ibrahim and Shah, 2013).
2.8.6 Top Management

Gaining top management support and commitment is essential for the smooth implementation and operation of HR practices and policies (Armstrong, 1999). Similarly, Marchington and Wilkinson (2012: 12) note that:

*Top-level decisions have major implications for operational activities, especially when there is a merger or takeover, a joint venture or public private partnership, or even a change in the organization's strategic direction following a review of its activities.*

Top level decisions relating to, for example, rates of pay, breaking of employment contracts, demanded skill sets of newly recruited employees, internal promotions, relations with unions etc. will all have an influence on the activities and operation of the HR function (Genc, 2014). In addition to this, the values and expectations of top management and how they choose to interpret advice about internal and external resources available to the organization plays a significant role in the strategic decision making process. This in turn affects HR strategy development and implementation as it must be seen to align with overall organizational business strategy (Lovas and Ghoshal, 2000).

In addition to their priorities, values, expectations and decisions, top management’s quest for power may also impact HR practices and policies within the organization, particularly when top management choose to favour HR practices and policies which assist them in gaining additional power (Genc, 2014). Top management could, for example, promote, reward or recruit employees who support them as well as providing additional training and development opportunities to them (Genc, 2014). As a result, the HR department must identify and be aware of the potential stakeholders of critical HR practices and policies as well as their motivations (Kane and Palmer, 1995). Finally, Punia and Sharma (2015) propose that the importance and autonomy that top management place on the HR department and its HR personnel will also influence how the HR department operates as well as the strategy it pursues.

2.8.7 Line Management

In addition to gaining the support and commitment from top management, gaining the support and commitment from line management is just as, if not more, important for the successful
implementation and management of the HR function (Armstrong, 1999). This is partly explained by the fact that line managers have intimate knowledge relating to the capabilities and requirements of their team and department and can therefore, play an important role in developing effective HR policies which positively influence employee, team and organizational performance (Punia and Sharma, 2015). Similar to top management, the quest for power may also cause line management to favour HR practices and policies, as well as employees, who support and assist line management in achieving additional power thereby influencing the HR practices and policies adopted throughout the organization (Genc, 2014). As previously outlined, the HR department must therefore, identify and account for the motivations of stakeholders of critical HR practices and policies (Kane and Palmer, 1995).

In addition to this, it is often line managers who provide the biggest barriers/obstacles to HR policy and practice implementation. Armstrong (1999: 52) reasons this is due to:

New employment practices which take up precious time and involve paperwork will be treated with particular suspicion. Many line managers, often from bitter experience, resent the bureaucracy that can surround and, indeed, engulf systems favoured by HR people, such as traditional performance appraisal schemes.

Furthermore, Rosman et al. (2013) argue that the managerial style adopted by line managers will also impact HR practices and policies. According to Beardwell and Claydon (2010), there are generally four different approaches to management style adopted by line management; scientific management approach, human relations approach, human resource management approach and humanistic approach. The scientific management approach attempts to ‘control people and keep down their costs’ while the human relations approach views employees as different to other resources and recognises the ‘importance of social relationships at work’ (Beardwell and Claydon, 2010: 90). The human resource management approach recognises employees as a resource to be used by the organization but not one that should be kept ‘in check’. Finally, the humanistic approach is more idealistic in nature and aims to provide an environment in which autonomous individuals collaborate and work together for their own common good (Beardwell and Claydon, 2010).
2.9 Conclusion

This chapter identified and examined the current literature relating to a number of fundamental areas within Human Resource Management. It first looked at both the definition and concept of HRM. It then examined the history of HRM before moving on to discuss the functions of the HR department. Chapter 2 continued with an analysis of the current literature relating to setting up a HR department before focusing on the evolution of the HR function from traditional to strategic. Finally, this chapter considered the variable factors (both internal and external) which can potentially affect the implementation and management of a HR function. The following chapter, Chapter 3, will focus on the methodology behind this study and outline a number of key areas including the rationale behind the study, the research question, research aims and objectives, proposed research method approach and instruments, research philosophy, data collection and analysis and ethical considerations.
Chapter 3: Methodology
Chapter 3. Methodology

3.1 Introduction

In this chapter, along with some brief background on the study firm, the rationale of the research study is initially outlined. The study’s research question, aims and objectives are defined. The research methodology and philosophy is then discussed. The chosen research method, in-depth interviews is then considered followed by consideration of sampling, gaining access, coding and the analysis of data collected by the researcher. Finally, the ethical considerations of the research study are outlined.

3.2 Rationale for the Research

Kearys was first established in Mallow, Co. Cork in 1985 by Bill Keary, Managing Director. Over the last 32 years the organisation has established itself as one of the largest Motor Groups in Ireland enjoying approximately 33% of the market share within Munster. The Group currently operates 9 dealerships located throughout Cork County and represents Hyundai, Renault, BMW, MINI, Motorrad, Nissan and Dacia. Kearys Renault Pro Plus van centre was opened in December 2016 and Kearys CarStore was opened in July 2017.

The Group currently employs 303 employees with this number set to grow to approximately 330 employees by the end of 2017. Kearys currently employs one Group HR Executive who is responsible for the recruitment, HR and payroll functions across the entire organization. The Group HR Executive was hired in February 2016 when employees numbered approximately 240. Prior to the appointment of the Group HR Executive, Kearys did not have a dedicated HR department in operation. Instead, HR activities were being undertaken by approximately 30 to 35 line managers across the organization. As a result, there was a lack of consistent HR policies, practice and strategy across the Group. The organization operates as a relatively traditional hierarchical organization as illustrated by Figure 3.1 below.
In an ever-changing environment fraught with competitive forces and pressures, the contemporary HR function is experiencing increased pressure to operate strategically and provide the organization with a competitive advantage (May, 2016). In order to operate strategically, the modern day HR department must assist the organization in achieving overall corporate goals and objectives by ensuring that HR strategy aligns and integrates with the organization’s overall business strategy (Armstrong, 2006). In order to align and integrate with overall business strategy, it is proposed that the HR function must monitor, understand and adapt to internal organizational factors and external environmental factors (May, 2016). As noted by Armstrong (2006: 24):

*HRM processes take place within the context of the internal and external environment of the organization. They will be largely contingent on the environmental factors that affect them.*

As a result, an effective HR function must continually monitor both its internal and external environment in order to accommodate changes to it, remain integrated with business strategy and ultimately meet the needs of the business. If a HR function should therefore, fail to
recognise, analyse and adapt to the internal and external environment in which it operates, it will fail to successfully implement and manage an effective HR department.

While the area of managing a HR department in order to add strategic value to the organization appears to have been widely explored by current literature, there is limited guidance available on how to successfully implement a HR department in the first instance. Furthermore, this limited guidance varies so widely in scope, detail and instruction, it provides very little value in practice and appears to offer a theoretical overview of what needs to be done as opposed to outlining how to actually go about doing it (Laird, 2016; RecruiterBox, 2013; Heathfield, 2016; SHRM, 2015).

It is clear, therefore, that a study examining how both internal and external environmental factors can affect the HR function within an organization as well as analysing the practical steps which should be taken when implementing a new HR department within an already established organization is both relevant and timely. In addition to this, through the study of HR literature as well as first-hand experience, the researcher has come to believe that the implementation and management of any HR function will be largely redundant if it does not consider and adapt to the ever-changing internal and external environment. The researcher currently has the sole responsibility of setting up and managing a HR department within Kearys. As such, it is both a professional and personal curiosity which is driving the desire to gain a better understanding of the internal and external factors affecting the HR function within the organization. In doing so, the researcher hopes to better understand how the internal and external environment in which Kearys operates can influence the development and effectiveness of HR practices and policies. By analysing how both internal and external factors may affect the HR function within Kearys, the researcher aims to gain a deeper understanding of the importance of recognising these factors and adapting HR strategy to account for them. Furthermore, by identifying the internal and external factors affecting the implementation and management of the HR function within Kearys, the researcher also aims to provide a body of research and data which can theoretically provide a foundation for further research to be undertaken in a wider context as well as create a set of practical guidelines for implementing a new HR department within an already established organization.
3.3 Research Question, Aims and Objectives

Developing a research question is a valuable exercise used to enable focus, particularly during the early stages of research (Miles and Huberman, 1994). Elaborating upon the purpose of developing research questions, Punch (2005: 37) states that research questions are responsible for five main things including:

- They organize the project, and give it direction and coherence,
- They delimit the project, showing its boundaries,
- They keep the researcher focused during the project,
- They provide a framework for writing up the project,
- They point to the data that will be needed.

While there is no fool proof way of developing a research question, Robson (2002) provides a number of guidelines including: knowing the area, widening the base of your experience, considering techniques for enhancing creativity, avoiding common pitfalls (allowing a pre-decision decide the questions to be asked, posing research questions that can’t be answered or asking questions that have already been satisfactorily answered), cutting it down to size and thinking in terms of the purposes of your research. In addition, Flick (2011:26) suggests that ineffective research questions are questions which cannot be empirically tested, include general topics but no question, include a set of variables but no question, are too vague or ambiguous and still need to be more specific. Taking these guidelines into consideration, the following research question was developed:

'What are the internal and external factors affecting the implementation and management of the HR function within Kearys?'

In their definition of the term research aim, Thomas and Hodges (2010: 38) state that:

*The term research aim usually refers to the main goal or overarching purpose of a research project.*
Furthermore, Thomas and Hodges (2010) suggest that research aims are general and introductory as opposed to precise and focused and as a result, are regularly followed by a number of research objectives. The primary purpose of this research is therefore, to identify and examine both the internal organizational factors and external environmental factors which affect the implementation and management of the HR function within Kearys and to produce a set of practical guidelines for the implementation of a new HR department taking these factors into consideration.

Research objectives provide an accurate description of the specific actions the researcher will undertake in order to achieve the primary aims of the research (betterthesis.dk, 2016: online). The objectives of this study are to:

- Conduct a detailed literature review of current literature relating to the research question in order to establish a theoretical framework upon which to base further research.
- Gain a deeper understanding of the internal organizational factors and external environmental factors affecting the implementation and management of the HR function within Kearys by utilising the qualitative research technique of semi-structured interviews with mid and senior level employees.
- Gain a deeper understanding of the internal organizational factors and external environmental factors which can affect the implementation and management of a HR function in general by utilising the qualitative research technique of semi-structured interviews with established HR professionals within the motor industry.
- Identify and analyse the internal organizational factors and external environmental factors affecting the implementation and management of the HR function within Kearys and generally within the motor industry by using the findings and analysis of the semi-structured interviews.
- Devise a number of recommendations to provide a foundation for further research relating to how the internal and external environment in which an organization operates can impact the HR function within a wider context.
- Devise a model and set of practical guidelines on how to implement a new HR department within an already established organization taking internal organizational factors and external environmental factors into consideration.
3.4 Methodology Choices and the Proposed Method

Research methodology refers to the philosophical foundation of a study’s chosen research methods and outlines whether a quantitative, qualitative or mixed-method approach has been adopted (Creswell, 1994). Quantitative research is a method of research which uses the collection of numerical data and the analysis of this data using mathematically based methods as a way of explaining observed phenomena or interpretations. The tools of quantitative research include surveys, observation and panels (Creswell, 1994). The benefits of quantitative research include; eliminating or minimizing the subjectivity of judgment (Kealey and Protheroe, 1996), achieving high levels of reliability of gathered data due to controlled research manipulations (Balsley, 1970) and the ability to state the research problem in specific and set terms (Frankfort-Nachmias and Nachmias, 1992). However, quantitative research can often fail to provide information on the context of the situation in which the studied phenomenon occurred. Furthermore, Johnson and Harris (2002: 102) propose that:

Quantitative research requires that the researcher asks the right questions of the participants in the study. To ask the right questions the researcher must know what the right questions are.

In sharp contrast to quantitative research, which appears to be reasonably methodologically one-dimensional, a central feature of contemporary qualitative research is its diversity (Punch, 2005). Qualitative research is therefore, a multidimensional approach that explores society, behaviour and culture through the analysis of people’s words and actions (Hogan et al., 2009). Dawson (2009: 15) further proposes that:

Qualitative research explores attitudes, behaviour and experiences through such methods as interviews or focus groups. It attempts to get an in-depth opinion from participants. As it is attitudes, behaviour and experiences which are important, fewer people take place in the research, but the contact with these people tends to last a lot longer.

In many cases, qualitative methods were developed in response to the limitations of quantitative methods and strategies (Flick, 2014). Indeed, Kleining (1982) proposes that
qualitative methods have the potential to provide standalone results, while quantitative methods will often require qualitative methods in order to explain the results they find.

The tools of qualitative research include in-depth interviews, focus groups and projective techniques. The benefits of qualitative research include providing a more holistic view of the phenomena under investigation (Patton, 1980; Bogdan & Taylor, 1975) as well as the ability to interact with the research subjects in their own language and on their own terms (Kirk & Miller, 1986). However, qualitative research can fall victim to the researcher's own subjectivity and capabilities allowing for the possibility of the researcher to arrive at different conclusions based on the same information (Johnson and Harris, 2002).

In contrast to both quantitative and qualitative research methods, a mixed-method approach is pragmatic in nature and employs the use of whatever research methods are best suited to the research problem. According to Tashakkori and Teddlie (2003), the mixed-method approach is the third methodological movement while quantitative research is considered as the first movement and qualitative research as the second movement. Furthermore, Creswell (1994) distinguishes between three forms of mixed-methods design including: phase designs (both qualitative and quantitative methods are applied separately, one after the other), dominant/less dominant design (either a qualitative or quantitative approach is primarily used with the other method marginally used) and mixed methodology designs (link both qualitative and quantitative approaches in all phases of the research process).

The development of the mixed-method approach was driven by the recognition of researchers that all methods have limitations and the belief that biases inherent in any single method could neutralize or cancel the biases of other methods (Creswell, 1994). Having said this however, it is not necessary to always combine both quantitative and qualitative research methods but to only do so when appropriate (Punch, 2005). Furthermore, Punch (2005: 58) states that:

*The type of data we finish up with should be determined primarily by what we are trying to find out, considered against the background of the context, circumstances and practical aspects of the particular research project.*

For the purposes of this case study, the researcher will adopt a qualitative approach whereby the tools of semi-structured in-depth interviews will be utilised in order to gain qualitative data.
relating to the research question. The researcher decided that a quantitative or mixed-method research approach would be inappropriate due to the nature of the research question itself. As the researcher possesses neither the relevant knowledge nor does there exist previous studies or information to draw upon relating to this area of study, the researcher would be incapable of creating an effective quantitative instrument with which to gather relevant, significant information. As stated by Johnson and Harris (2002: 102):

You only get the answers to the questions that you ask. This may sound obvious but it is often forgotten. If a vital question is omitted from a survey instrument you will never know what (potential) effect it would have had.

In contrast, if a researcher seeks to better understand a concept or area of study where little previous research has been undertaken, then a qualitative research approach is more appropriate (Creswell, 1994). Furthermore, Morse (1991: 121) states that:

Qualitative research is exploratory and is useful when the researcher does not know the important variables to examine. This type of approach may be needed because the topic is new, the topic has never been addressed with a certain sample or group of people, or existing theories do not apply with the particular sample or group under study.

Therefore, as this area of study has not been previously widely researched nor a study of this nature previously carried out on the subject of this study, Kearys, the researcher proposes a purely qualitative research method is most appropriate in this instance.

3.6 Philosophy of Research

Saunders et al. (2009) propose that research philosophy is associated with the nature and development of knowledge and that every researcher is influenced by the views and assumptions they have created through their perception of the world. These views and assumptions will furthermore, greatly affect the research strategy and methodology a researcher employs as part of their research (Saunders et al., 2009). Easterby-Smith et al. (2002), propose that understanding the different research philosophies, will enable the researcher to more easily identify the appropriate research method to be used in the study, avoid
unsuitable and unrelated work, be more creative and exploratory in their method of research and ultimately gather significant, relevant evidence in order to answer the research question.

The philosophical approach known as positivism is often considered as the standard or default view of science and proposes that one, stable reality exists which can be observed and measured from an impartial, objective perspective (Levin, 1988). Robson (2002) further states that, positivists look for the existence of a constant relationship between two variables or events and seek to explain this event by simply relating it to a general law or principle which will always be true as long as certain conditions are met. While this may be relatively straightforward in the natural world, critics of the positivism approach do not believe it is possible to transfer the assumptions and methods of natural science to social science (Sarantakos, 1998). Elaborating upon this point further, Robson (2002:21) states:

*The positivist notion is that science becomes credible and possible because every scientist looking at the same bit of reality sees the same thing. However, it has been amply demonstrated that what observers 'see' is not determined simply by the characteristics of the thing observed; the characteristics of the observer also have an effect.*

In contrast, the philosophical approach of post-positivism attempts to recognise and account for the shortcomings of the positivism approach. While positivists believe that the researcher will remain entirely independent of the study, post-positivists accept that the views, assumptions, experience, knowledge and values of the researcher can influence what is observed by the researcher and it is through the recognition of these possible predispositions and their potential effects, the commitment to objectivity exists (Reichardt and Rallis, 1994). Similar to positivists, post-positivists believe in the existence of one reality. In contrast to positivists however, post-positivists believe that this reality can only be known imperfectly given the limitations of the researcher (Robson, 2002).

Similar to positivism and in contrast to post-positivism, the philosophical research approach of realism relies on the idea of independence of reality from the human mind and assumes that there is an external reality separate from our descriptions of it (Flick, 2014). Realism can be broken down into direct realism and critical realism. Saunders *et al.* (2009) describe direct realism as *'what you see is what you get'* and believes the world is portrayed accurately through
personal human senses. On the other hand, critical realism argues that while humans experience sensations and images of the real world, these sensations and images can be deceptive and do not usually portray an accurate reality (Novikov and Novikov, 2013). Furthermore, Robson (2002:35) suggests:

*Realism accepts that there are fundamental differences between natural and social phenomena. This means that different methods have to be used for different subject matters.*

Similar to post-positivism, the philosophical research approach of interpretivism was developed as a result of the shortcomings of positivism. According to Myers (2008), interpretivism assumes that access to reality can only be achieved through social constructions such as ‘language, consciousness, shared meanings, and instruments’. Furthermore, Collins (2010) states that interpretivism rejects the idea that consciousness and meaning exist independently of one another and as a result, interpretivist studies usually focus on meaning and may employ multiple methods in order to reflect different aspects of the subject matter. In addition, Saunders *et al.* (2012) emphasise the importance of the researcher as a social actor to appreciate the differences between people and to recognise that the meaning assigned to social roles may be influenced by the researcher’s own interpretation of social roles. While the primary data produced by interpretivist methods tends to be associated with a high level of validity, one of the main disadvantages of interpretivism therefore, is the subjectivity of the researcher (research-methodology.net, 2016).

The final research philosophy to be discussed is that of pragmatism. According to Saunders *et al.* (2009) pragmatics:

*Recognise that there are many different ways of interpreting the world and undertaking research, that no single point of view can ever give the entire picture and that there may be multiple realities.*

Dissimilar to positivism, realism and interpretivism research philosophies, the pragmatism research philosophy can integrate more than one research approach strategy within the same study and proposes that the research question is the most important determinant of the chosen research philosophy (research-methodology.net, 2016).
For the purposes of this research, the researcher adopted an interpretivist research philosophy as a result of the nature of the research itself. Considering the research study is a case study on one particular organization, Kearys, and the researcher is currently an employee of the organization, the researcher recognised it was likely that they would both influence and be influenced by the research activity. The researcher, however, also believed that an accurate and complete understanding of the internal organizational factors and the external environmental factors affecting the implementation and management of the new HR department within Kearys would only be achieved through the analysis of the language, consciousness and shared meanings of the internal respondents (mid and senior level management) within Kearys. Furthermore, while the researcher has some prior knowledge in relation to the area of research, this knowledge was insufficient to develop a fixed research design as required for a positivist research philosophy. Finally, the researcher maintains that remaining open to new knowledge throughout the study and developing it with the assistance of the respondents, allowed the researcher to construct a valuable and accurate understanding of the internal organizational factors and external environmental factors affecting the implementation and management of the new HR department within Kearys.

3.7 The In-Depth Interview

For the purposes of this research, the qualitative research tool of in-depth interviews has been chosen. By way of introduction May (2010:120) states:

*The methods of maintaining and generating conversations with people on a specific topic or range of topics and the interpretations which social researchers make of the resultant data, constitute the fundamentals of interviews and interviewing.*

Simply put, in-depth interviews involve the researcher asking questions and receiving answers from those they are interviewing (Robson, 2002) and are used as a means of accessing people’s ‘*perceptions, definitions of situations and constructions of reality*’ (Punch, 2005:168).

There are three separate types of interviews; fully structured interviews, semi-structured interviews and unstructured interviews. Fully structured interviews have predetermined questions, usually in a predetermined order, with fixed wording (Robson, 2002). The theory behind this method is that each respondent is asked the same question in the same way. As a
result, any differences between answers can be considered as real and not the result of the interview itself (May, 2010). Semi-structured interviews have predetermined questions but the order of the questions may be changed based upon the interviewer’s perception of what is appropriate, question wording can be changed, explanations to questions may be offered and questions may be added or omitted depending on each individual interviewee (Robson, 2002). Unstructured interviews are defined by their open-ended nature and are used as a way of understanding the complex behaviour of people without imposing rigid, predetermined questions (Punch, 2005).

The use of in-depth interviews is appropriate when detailed information about an individual’s thoughts, behaviour and opinions are required or the topic in question has not been previously explored in-depth (Boyce and Neale, 2006). Furthermore, King (1994) proposes that the use of in-depth interviews is appropriate in the following circumstances:

- A study focuses on the meaning of particular phenomena to the participants,
- Where individual perceptions of processes within a social unit – such as a team, department or organization – are to be studied prospectively,
- Individual historical accounts of how a particular phenomenon developed are required,
- Where exploratory work is required before a quantitative study is carried out,
- Where a quantitative study has been carried out, and qualitative data is required for validation, clarification or illustration of the findings.

According to Boyce and Neale (2006), the primary advantage of in-depth interviews is that they provide a more relaxed atmosphere in which data is collected and as such, provide much more detailed information than other data collection methods, for example, surveys. Furthermore, Robson (2002) proposes that face to face in-depth interviews are a flexible and adaptable research tool capable of allowing the interviewer to modify the direction of inquiry, following up on interesting responses and further investigate underlying motivations. Like all research tools however, the in-depth interview is also subject to limitations. In-depth interviews can be subject to both the interviewer and the interviewee’s biases, are time-consuming, are usually not generalizable due to small sample size and lack of random sampling methods and heavily rely upon the interviewing skills of the interviewer (Boyce and Neale, 2006).
The researcher therefore, proposes that the use of semi-structured in-depth interviews for this research is appropriate for a number of reasons. First and as previously outlined, the researcher adopted a qualitative research approach and as such had to employ a qualitative research tool like the in-depth interview. Second, considering this area of research has not been previously studied in detail, the in-depth interview allowed the researcher to acquire detailed knowledge and information regarding the topic of concern. In addition, considering this research is a case study relating to the internal organizational factors and external environmental factors affecting the implementation and management of the new HR department within Kearys, the phenomena associated with this research are particular to the participants of the study. Finally, given the diverse positions and backgrounds of the respondents, semi-structured in-depth interviews were deemed as most appropriate to enable the researcher to modify the direction of inquiry and question wording, offer explanations to those who may not understand a question and add or omit questions as appropriate for each individual respondent.

3.8 Sampling and Gaining Access

Sampling refers to the process of selecting a number of units from a defined group or population particular to the study and attempts to ensure that the chosen sample is representative of the population and therefore allows for generalization (Flick, 2011). As this research will employ a qualitative research approach, only sampling strategies particular to qualitative research are briefly examined within this section. Flick (2011) further suggests that two main types of sampling exist within qualitative research; theoretical sampling and purposive sampling. In their definition of theoretical sampling Glaser and Strauss (1967:45) propose that:

*Theoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes and analyses his data and decides what data to collect next and where to find them, in order to develop his theory as it emerges. This process of data collection is controlled by the emerging theory.*

The theoretical sampling process therefore, continues until the ‘theoretical saturation’ of a group has been reached and no new information emerges. As a result, it is not possible to define in advance how big the sample to be analysed has to be (Flick, 2011). Given the time constraints of this research and the resulting ability of the researcher to conduct a maximum of
12 in-depth interviews, theoretical sampling is therefore, an inappropriate sampling method to employ for this research.

According to Blackstone (2017: online) purposive sampling refers to when:

>A researcher begins with specific perspectives in mind that he or she wishes to examine and then seeks out research participants who cover that full range of perspectives.

Patton (2002) further suggests that purposive sampling contains a number of variations including:

- Extreme cases characterized by the failure or success of an intervention. In the professional field, for example, the researcher may sample interviewees with the longest experience and those who have just recently started working there,
- Typical cases in which success and failure is representative of the majority of cases. In the professional field, for example, the average length of service would be identified and those matching this criterion would be sampled,
- Maximum variation sampling which includes cases which are as different from each other as possible in order to analyse the variety and diversity of the field,
- Intensity sampling includes cases which have a different intensity of the relevant features, processes and experiences to be analysed,
- Critical cases which are very relevant for the functioning of a program under study,
- Politically important or sensitive cases can be useful for making positive results widely known but should not be included if they endanger the program as a whole,
- Convenience sampling refers to choosing cases that are most easily accessible under given circumstances.

Blackstone (2017) suggests a further sampling strategy, referred to as snowball sampling, exists within qualitative research whereby a researcher identifies one or two units to be included in the study and then relies upon these initial participants to help identify additional study participants. This method is useful when the group to be studied are stigmatized or difficult to find due to rarity. Furthermore, Hardon et al. (2004) suggests contrast sampling involves two
or more population groups and is useful in comparative studies that aim to identify factors associated with particular problems.

For the purposes of this research, a number of sampling strategies were used. First, a purposive sampling strategy was employed whereby 10 mid to senior level management employees within Kearys were engaged as the participants of the semi structured in-depth interviews. Mid to senior level management participants were targeted in order to capitalise upon their augmented experience and knowledge, largely due to length of service, both within Kearys and the motor industry in general. As the purpose of the research is to identify the internal organizational factors and external environmental factors affecting the implementation and management of the new HR department within Kearys, it was considered that lower level employees may not possess the requisite knowledge or experience to add accurate, valuable data to the study.

In addition, the maximum variation sampling strategy was also used by the researcher to ensure the variety and diversity of both the organization and the motor industry was accounted for. As a result, while the researcher engaged mid to senior level management within Kearys, the researcher also ensured the targeted managers came from a variety of locations and departments within the organization as well as differing in length of service and seniority. In order to utilise the maximum variation sampling strategy to full effect, two of the targeted participants possessed a shorter length of service within Kearys and as a result were not employed by the organization at the time of the appointment of the Group HR Executive and the establishment of the new HR department. These participants were therefore, asked appropriately modified questions during the semi-structured in-depth interviews which are highlighted and discussed in more detail in Chapter 4, Findings and Analysis.

Two further sampling strategies, the snowball sampling strategy and contrast sampling, were also utilised by the researcher in order to gain access to two external candidates with previous experience in HR within the motor industry. As the researcher does not have any contacts in HR within the motor industry, the researcher utilised the connections of participating managers who have previously worked in other organizations within the motor industry to gain access to HR professionals with motor industry experience. External HR professionals with prior experience in the motor industry were targeted as additional participants of the semi-structured in-depth interviews in order to compare and contrast their answers with those of Kearys
management and provide a more complete view of the motor industry in general and the external environmental factors at play within it. Similar to the two internal participants who were not employed by the organization at the time of the implementation of the new HR department, the external participants were asked appropriately modified questions during the semi-structured in-depth interviews which are highlighted and discussed in more detail in Chapter 4, Findings and Analysis. Finally, all respondents, both internal and external agreed to participate in the semi-structured in-depth interviews as long as their anonymity was protected. As a result, codes were assigned to each respondent to prevent them from being identified which tactic is discussed in more detail in the next subsection.

3.9 Coding and Analysis of Data

According to Punch (2005), coding is considered as the activity which starts the analysis of data as well as being analysis in and of itself and is essentially the process of putting 'tags, names and labels against pieces of data.' There are a variety of coding strategies and methods available and the type of coding strategy employed will be largely dependent upon the type of study undertaken. Considering this study pursued a qualitative research approach and as a result a flexible design strategy (Flick, 2014), only coding strategies suitable for flexible design strategies were considered. Robson (2002) proposes the existence of three traditional flexible design research strategies, case studies, ethnographic studies and grounded theory studies. While this study is a case study of Kearys, it may also be considered as an exercise in the generation of grounded theory as there is a lack of pre-existing theory and data available in relation to this area of study and as such a grounded theory analysis strategy is appropriate (Robson, 2002).

According to Punch (2005), grounded theory analysis aims to generate a core category which is central to the data of the study by carrying out three different types of coding; open coding, axial coding and selective coding. Open coding involves the data being split into separate parts by whatever is considered to be a unit of data and may take the form of an utterance, sentence or paragraph (Flick, 2014). Furthermore, during this stage, more than one code may be assigned to the same piece of data, codes can be whatever is deemed appropriate by the researcher i.e. descriptive, in vivo etc. and are considered provisional and may be changed (Robson, 2002). According to Punch (2005), the purpose of open coding involves:
A close examination of [some of] the data, identifying conceptual categories implicit or explicit in the data, and the theoretical possibilities the data carry.

As previously outlined, the qualitative research tool of semi structured in-depth interviews was employed for the purposes of this research. In addition, semi structured interviews were recorded, with the permission of the participants, and transcribed. These transcriptions were then used by the researcher to analyse the data collected during the in-depth interviews. When analysing these transcriptions, the researcher first assigned open codes to the data. Therefore, responses in relation to the question which asked respondents to outline the external environmental factors existing within the motor industry with the potential to affect the implementation and management of the new HR department within Kearys for example, were analysed using codes such as ‘skills shortage’, ‘2008 recession’, ‘advances in electric vehicle technology’ etc.

Strauss and Corbin (1998) suggest axial coding is a more formal coding which attempts to identify and classify links between the substantive categories identified by the open coding process. In order to formulate such links, Strauss and Corbin (1998:127) suggest a coding paradigm model as illustrated in Figure 3.2 below. In axial coding therefore, the categories which are considered most relevant to the research question are selected from the developed codes (Flick, 2014) in order to:

*Build a model of the phenomena that includes the conditions under which it occurs (or does not occur), the context in which it occurs, the action and interactional strategies that describe the phenomena, and the consequences of these actions. You continue to ask questions of the data; however, now the questions focus on relationships between the categories* (Mertens, 1998: 352).
During the axial coding phase of the data analysis therefore, the researcher attempted to understand the relationship between different codes assigned during the open coding phase. Taking the same example as before in relation to the external environmental factors, when attempting to understand the relationship between the external factors identified by respondents, the researcher reached the conclusion that all external environmental factors are in some way linked and will therefore, have the potential to influence, exacerbate or alleviate one another. As a result, the researcher assigned the axial code of 'linkage of external factors' to the relevant portion of data.

Selective coding builds on the propositions produced by axial coding with the purpose of integrating and pulling together the developing analysis (Punch, 2005). The researcher must therefore, select one aspect as the core category and focus on it in order to 'get a feeling for what the study is about' and ultimately understand and explain the overall picture (Robson, 2002). During the selective coding phase, the researcher was therefore, able to use the propositions produced by the axial coding phase to produce a key finding or overarching theory.
that internal and external factors can significantly impact the implementation and management of the new HR department within Kearys.

Finally, and as previously mentioned, codes were also assigned to each participant of the semi structured in-depth interviews in order to maintain their anonymity. The 10 mid to senior level Kearys managers who participated in this study were assigned codes which ranged from ‘IR1’ to ‘IR10’. IR refers to Internal Respondent while the corresponding number refers to the sequence in which the interviews were conducted. The external HR professionals who participated in this study were assigned codes ‘ER1’ and ‘ER2’. ER refers to External Respondent while the corresponding number refers to the sequence in which these respondents were interviewed. Furthermore, the organization within which both external respondents gained their experience within HR within the motor industry was assigned the code ‘Company X’ to avoid identification.

3.9 Ethical Considerations and Validity

Ethics refers to rules of conduct and the conformity to a set of rules or principles (Reynolds, 1979). In addition, while ethical issues can arise in both quantitative and qualitative research, they are more likely and more acute in qualitative approaches due to its often intrusive nature (Punch, 2005). It was therefore, particularly pertinent to first attempt to identify potential ethical issues arising during this research before implementing strategies to eliminate, or at least, alleviate said issues.

Miles and Huberman (1994:290-7) identify 11 potential ethical considerations including:

1. The worthiness of the research and if it will provide some benefit to a broader domain than just the researcher,
2. The competence of the researcher and if they have the relevant expertise to successfully complete the research,
3. Whether informed consent has been received from all participants of the research,
4. If the benefit and investment of the participants are equitably balanced,
5. If participation in the research could cause harm to any of the respondents,
6. The honesty and trustworthiness of the researcher,
7. How the privacy and anonymity of the participants of the research is protected,
8. Whether action should be taken if the researcher witnesses harmful, illegal or wrongful behaviour by others during the study,
9. The integrity and quality of the research,
10. The ownership of the data and conclusions of the research,
11. The use and misuse of results of the research.

In an attempt to account for the above ethical issues, the researcher implemented the following strategies:

- The worthiness of the research was ensured by the nature of the research itself and its ability to provide beneficial information to not only the researcher, but also to the organization of Kearys and its employees, the motor industry and the wider HR profession,
- The researcher utilised the expertise and competencies of the study’s supervisor to cater for any areas of expertise which the researcher did not possess,
- Informed and clear consent was obtained from all participants of the research prior to the commencement of the research,
- The investment of the participants was relatively limited as a maximum of 30 – 40 minutes of their time was the only thing required,
- Due to the nature of the research itself, it carried very little or no risk to the participants. Any potential risks in the form of repercussions as a result of the participant expressing their opinion was eliminated by guaranteeing the anonymity of each respondent,
- As a result of the solid relationship build between the researcher and each participant, the research was guaranteed a higher level of honest and trust,
- As previously mentioned, the privacy and anonymity of the participants was protected by assigning codes to each participant to ensure they remained unidentified throughout the research,
- Due to both the nature of the research and the calibre of participants involved, the likelihood of illegal, harmful or wrongful behaviour taking place during the research was limited if not non-existent,
• With the assistance of the research supervisor, the researcher designed the study in such a way as to best ensure the integrity and quality of the research,
• The data and conclusions of this research are owned by the Cork Institute of Technology who operate strict regulations in relation to the diffusion of such research,
• The researcher is committed to ensuring that the findings of this research are not wrongfully, harmfully or inappropriately used in the future.

In addition to ethical considerations, the validity and reliability of the research must also be considered. According to Robson (2002), researchers using flexible designs need to concern themselves with ensuring the reliability of their methods by not only being careful, thorough and honest but by also being able to show others what they have done. Furthermore, the validity of research instruments refers to the extent to which an instrument measures what it is claimed to measure (Punch, 2005). Lincoln and Guba (1985) further claim that three main threats to validity in flexible designs exist including: reactivity or the way in which a researcher’s presence may interfere with the setting which forms the focus of the study as well as the behaviour of participants, respondent biases ranging from obstructiveness and withholding information to giving the researcher the answers the respondent believes the researcher hopes to receive and researcher biases including the researcher’s own assumptions and preconceptions.

According to Padgett (1998:5), a number of strategies can be employed in order to alleviate or eliminate threats to validity including:

• Prolonged involvement whereby the researcher spends an extended period of time in the research setting in an effort to become accepted thereby reducing reactivity and respondent bias,
• Triangulation whereby the use of multiple sources are engaged to enhance the rigour of the research,
• Peer debriefing and support whereby the researcher meets with peer groups and engages in debriefing sessions in order to reduce researcher bias,
• Member checking whereby the researcher presents material such as transcripts, accounts and interpretations to participants in order to gain their perceptions and contributions,
• Negative case analysis involves searching for information which challenges the developing theories of the research,
• Audit trail whereby a full record of research activities is documented.

Due to the time constraints present within this research, the researcher considered the strategies of prolonged involvement and triangulation as inappropriate and ultimately impossible to perform. In addition, the strategy of member checking was also deemed inappropriate due to the arguably unethical increased involvement and commitment this would require from the participants of the study. As a result, the researcher employed the strategies of peer debriefing and support, negative case analysis and audit trail in order to lessen the threats to the validity of this research. The researcher therefore, arranged debriefing sessions with a group of peers, also undertaking flexible design research, every three to four weeks throughout the duration of the research. Furthermore, the researcher conducted negative case analysis whereby data which challenged the developing theories of this study was identified and analysed. Finally, the researcher recorded all semi-structured in-depth interviews as well as activities undertaken throughout the study in effort to maintain an audit trail.

3.10 Conclusion

This chapter included a brief introduction to Kearys before outlining the rationale of the research study. A clear definition of the study’s research question, aims and objectives was provided before both research methodology and philosophy of research was discussed. The chosen research method, semi structured in-depth interviews, was then examined. Sampling and gaining access, coding and the analysis of data as well as the ethical considerations and validity of the research study was then examined.
Chapter 4: Findings and Analysis
Chapter 4. Findings and Analysis

4.1 Introduction

In this chapter the results obtained by the researcher through the method of in-depth interviews are outlined and evaluated. The driving factors, communication and reaction surrounding the appointment of the Group HR Executive and establishment of the HR department as proposed by the respondents are examined. The impact, challenges, responsibilities and representation of the current HR department within Kearys, as according to the respondents of the in-depth interviews, are then considered as are the internal and external factors proposed by the respondents as having the potential to impact the implementation and management of the HR department. Finally the respondents' advice and recommendations in relation to improving the efficiency of the current HR department as well as how to implement a HR department in an already established organization is analysed.

4.2 Introducing HR to Kearys: Reasons, Communication and Reaction

The first group of questions focused on a number of key areas surrounding the appointment of a Group HR Executive and the introduction of a HR department within Kearys. These questions attempted to ascertain the reasons the organization had finally made the decision to implement a HR function after over 30 years since its establishment. The questions sought to understand if this decision had been communicated to the wider organization of Kearys. Finally, they sought to determine how the decision to appoint a Group HR Executive and implement a HR department was perceived by the organization as a whole.

4.2.1 Reasoning

Respondents were first asked to outline what they believed to be the main driving factors behind the decision to appoint a Group HR Executive and establish a dedicated HR department within Kearys. With almost unanimous agreement, nine out of 10 internal respondents cited the size of the organization as being one of the main reasons why they believe the decision was made to appoint a Group HR Executive and implement a HR department. Elaborating upon this point, IR2 states that:
I think a company of this size with 8 or 9 dealerships and 100's of people working for it, they had to. Well not had to, but it was only right because when someone needs a go-to person for procedures for disciplining or lots of other things they have to go through certain channels. Everything has to be logged. The answer is, it was about time.

Similarly, IR10 noted that it was inevitable that the organization needed a HR department due to the number of staff while IR7 stated the implementation of the HR department was the 'natural thing' due to the size of the organization. Additionally, IR3, commented that for such a big organization, a dedicated HR professional within a dedicated HR function was an obvious requirement of the organization. Furthermore, both external respondents also suggested organizational size to be one of the main driving factors for any organization, including Company X, to establish a HR function.

Evidently, the size of the organization was the biggest driving factor behind the decision to appoint a HR professional and establish a dedicated HR function within Kearys. It is interesting to note that, organizational size also appears to have been an integral catalyst for the implementation of the HR function within Company X (ER2, ER1). While the idea that HR practices and policies vary in accordance with the size of an organization appears to be well documented within HR literature (Jackson and Schuler, 2005; Ng and Maki, 1993), it does not appear to highlight the idea that the size of an organization can be the initial catalyst for the implementation of a HR function within an organization which appears to be the case within Kearys.

The volume of recruitment which the organization was attempting to carry out was cited by five out of 10 internal respondents as another factor underpinning the decision to appoint a Group HR Executive with the purpose of establishing a HR department. As noted by IR6:

*The main driving factor would have been the amount of people that we were taking on.*

In addition to this, IR8 noted that each department within Kearys were conducting their own recruitment and as a result, there was no coordinated recruitment process across the
organization. Furthermore, it was noted by IR5 and IR7 that the time managers were spending on recruiting new staff was becoming 'exhaustive' and detracting from their primary duties.

*I would only be responsible for a small team and even I found when somebody leaves and I needed to recruit, it took up a huge amount of time (IR7).*

Furthermore, five of the 10 internal respondents cited exposure or risk to the organization as a result of non-compliance with employment legislation as another driving factor behind the appointment of the Group HR Executive and the establishment of the HR department. This factor was illustrated further by IR1 who noted that:

*To put people in place that would have no HR experience or HR qualifications could lead to too much exposure or risk be it unfair dismissals or bad handling of staff.*

Similarly, it was noted by IR6 that the organization could get itself into 'hot water' if it did not employ a HR specialist or professional. Additionally, IR8 alluded to the fact that the organization may have already faced issues in the past relating to employment contracts or 'lack thereof' across the organization.

Issues with the quality of talent within the organization was also cited by four of the 10 internal respondents as one of the main reasons behind the decision to introduce a HR department and appoint a HR professional. IR6 proposed that the organization was 'missing out' on top talent candidates given there was no one specifically dedicated to the recruitment function and that time-constrained middle management were unable to commit the requisite time and effort required. Furthermore, IR3 stated that the organization needed to employ someone who was 'progressively looking at new staff' coming into the organization as well as new methods of finding top talent. In addition to this, it was also suggested that the 'vetting of personnel' being employed by the organization was not happening to the extent that it should have been (IR8).

The inability of managers to be able to deal with employee issues due to a lack of the requisite knowledge, skills, experience and training required was also named by three of the 10 internal respondents as one of the main driving factors behind the establishment of the HR function within Kearys.
I think as managers as well when HR wasn’t our primary job and very few of us had any training in it, very few of us were comfortable even doing interviews (IR7).

In addition, IR6 stated that given he had complained to senior management so regularly about ‘not knowing what to do in certain situations’ and that at times he had to ‘Google’ what he could and could not say to employees was one of the driving factors behind the decision to employ a HR professional. Furthermore, IR8 noted that the drafting and issuing of employment contracts would at times become the responsibility of one or two individuals within the organization who didn’t have the ‘knowledge, experience or qualifications’ to be given such a responsibility.

Two of the 10 internal respondents suggested that the lack of proper procedures, systems and controls relating to employees across the organization as another reason which influenced the decision to appoint a HR professional and establish a HR department.

They just needed to control it, they needed to get a handle on it. For absenteeism, I’d say for just keeping a track of holidays and payroll (IR9).

Similarly, IR2 also expressed the need for procedures, ‘certain channels’ and the ‘logging’ of everything across the organization. The need for sufficient HR structure, procedures and processes was also suggested by ER1 as a main driving factor behind the decision to implement a HR department within any organization. ER1 also noted that this need for structure would increase as the size of the organization increases. Finally, one of the 10 internal respondents cited the reputation and appearance of the organization as one of the driving factors behind the establishment of the HR department. Particularly, in relation to the organization’s recruitment activity and responding to unsuccessful candidates, IR7 noted that:

We weren’t responding to these people and I was always very conscious of that. I think it was leaving a really bad impression of Kearys with these people because they applied for a role, they didn’t get an interview and we never contacted them. And how many people did they say that to and how many people did they then say that to. Cork is small.
In contrast to the internal respondents, both external respondents listed the business strategy and objectives of the organization as a key reason why a HR department would be established in an organization. Both respondents suggested that the implementation of a dedicated HR function would be necessary in order to assist an organization in achieving its overall business strategy (ER1, ER2). The development of a particular organizational objective could therefore, act as the impetus for the establishment of a dedicated HR function. Additionally, changes or further developments to overall organization strategy could impact the management and activities of the HR department. It would therefore, be critical that the Group HR Executive both understands and monitors the business strategy and objectives of the organization in order to predict and adapt to changes to the HR department’s activities. Furthermore, considering both external respondents are working HR professionals, it is suggested that those outside of the HR profession do not understand or believe in the ability of HR to influence and assist in the achievement of business strategy to the same extent as those working within the profession. This in turn suggests a lack of understanding amongst Kearys management as to the full role and potential of the HR function.

It is interesting to note that all of the reasons which led to the appointment of the Group HR Executive and the establishment of the HR department cited by managers within Kearys appear to be driven by management needs as opposed to employee needs. Indeed, none of the internal respondents mentioned the welfare of employees, in any way, having any kind of influence over the decision to introduce a dedicated HR function to the organization. It could therefore, be argued that management may expect the HR department to primarily satisfy the needs of management as opposed to the needs of the employees. This strengthens the above argument that management within Kearys do not fully understand the scope or functions of the HR department. Arguably, this could in turn place more pressure upon the HR function within Kearys to manage the expectations of managers across the organization. Failure to do so could ultimately lead to disappointment on the part of the managers which could in turn lead to a loss of their support and buy-in. According to HR literature, the support and buy-in of line managers is critical for the successful implementation and management of a HR function (SHRM, 2015; Heathfield 2016; Armstrong, 1999). Therefore, it is vital that the Group HR Executive first understands, and manages, the expectations of line management across the organization of Kearys, in order to gain their buy-in and support and ultimately implement an effective HR function.
Furthermore, the reasons behind the decision to appoint a Group HR Executive and establish a HR department within Kearys appear to be largely driven by administrative or short term needs, for example, compliance with employment legislation, the volume of recruitment, lack of proper procedures and systems, as opposed to strategic or long term needs. It could therefore, be argued that the decision to establish a HR function within Kearys was a largely reactive decision, as opposed to a proactive one. In addition to this, it could be maintained that Kearys' perception of HRM is aligned to that of the fifth theme of HRM referred to as 'human resource management' (Torrington et al., 2008) characterized by planning, monitoring and control (Farnham, 2010). This appears to suggest that Kearys' perception of HRM has not yet developed to the sixth theme of HRM where there has been a shift in focus to the 'management of people' within organizations as opposed to the 'management of jobs' (Lepak and Snell, 2007). Again, this could have implications for the new HR department within Kearys in terms of the expectations of management across the organization as it appears to strengthen the idea that Kearys expect the HR department to prioritise the needs of the organization and management above the needs of its employees.

4.2.2 Communication

Internal respondents were also asked whether the decision to appoint a HR professional and establish a HR department was communicated to them at the time. Furthermore, respondents who stated that this decision had not been communicated to them were asked if they could explain the lack of communication. It is also important to note that two of the internal respondents were not employed by Kearys at the time this decision was made. These respondents, as well as both external respondents, were questioned regarding their reaction to learning that the organization did not have a dedicated HR professional or department in place prior to February 2016.

Five of the 10 internal respondents stated that the decision to appoint a HR professional and establish a HR department had been communicated to them at the time, or shortly after, the decision had been made. These respondents further stated that this decision had been communicated to them either during one of the regular manager's meeting or through individual conversations with the Managing Director. It was also noted by four of the five of these respondents that the decision was communicated to them but they were not involved in any discussion surrounding the decision. This was illustrated by IR6 who noted that:
It was explained to us that [the Group HR Executive] was coming in.

Similarly, IR5 stated that:

There was a discussion to say that this was the way it was going.

Indeed, it appears the decision to appoint the Group HR Executive and establish a HR department was made solely by the Managing Director. Additionally, a number of respondents alluded to the idea that this was not an uncommon occurrence across the organization. It could, therefore, be suggested that the Managing Director is a 'big personality' (IR1) within the organization. According to HR literature this would have implications for the implementation and management of the HR department as the decisions, values and expectations of top management will have an influence on the activities and operation of the HR function (Marchington and Wilkinson, 2012; Genc, 2005). This suggests therefore, that understanding the expectations of the Managing Director would be of critical importance for the newly appointed Group HR Executive. Furthermore, taking the case of Kearys into consideration, similar to the size of the organization, top management cannot just influence the HR function within an organization but may be the initial facilitator for the implementation of a HR department.

Two of the 10 internal respondents noted that the decision to employ a HR professional and introduce a HR department to Kearys was not communicated to them at the time the decision was made. When asked to explain why they thought this was the case both respondents cited a lack of communication across the organization.

There is a major lack of communication within the organization. It happens where a person is appointed and then you meet the person and it is a case of 'Oh, this is the new person appointed' (IR8).

Similarly, IR3 noted that due to the size of the organization half of all communications are lost. Furthermore, both respondents noted that it would be an executive or top management decision whether decisions of this nature should be communicated across the Group and while they do
not have to be involved in every decision made across the organization, they would appreciate being made aware of such decisions.

* A lot of decisions that are made which I wouldn't be a part of are good decisions as well. Do I need to know everything? No. But sometimes it's nice to know that you are included in the club. That you are not finding things out last minute. Sometimes there are important things happening already before you find out (IR3).*

Evidently, there does not appear to be a robust, consistent communication process within the organization. Not all respondents were made aware of the decision to appoint a Group HR Executive and establish a HR department. This is perhaps made more surprising given one of the respondents who had not been made aware of the decision, was responsible for, albeit in an *ad hoc* capacity, monitoring employee annual leave as well as time and attendance. In attempting to understand what was causing the issues with communication across the organization, it became apparent that the size of the organization was one of the biggest hindrances to a companywide communication strategy. Given that many decisions are also solely made by the Managing Director, it is suggested that issues with internal communications are being filtered from the top down. Through further questioning, it also became clear that although the respondents do not expect to be progressively involved in all organizational decisions, the vast majority of them desire to at least have such decisions communicated to them. Given that well-established departments within the organization suffer from or are inhibited by communication issues, it could be surmised that a newly established department within Kearys will encounter similar issues. Therefore, it is suggested that the new HR department within Kearys should capitalise on the desire of line management to receive adequate communication and take extra care to communicate all necessary information with all managers across the organization in order to gain and maintain their support and buy-in.

Two of the 10 internal respondents were not employed by the organization at the time the decision to appoint a HR professional and establish a HR department was made. When questioned regarding how they reacted when they learned the organization did not have a HR executive or department in place prior to February 2016, both respondents were extremely surprised. Furthermore, both respondents cited the size of the organization as the reason why they were so surprised to learn that there was no dedicated HR department or HR employee in place. Again, this highlights the importance of organizational size and the influence it can have
over the implementation and management of a HR function. Interestingly, however, both external respondents noted that they were not surprised to hear that there was no dedicated HR function within Kearys prior to February 2016 given that they had both come from a similar environment within Company X where the HR department had only been established in the past two years. Both respondents did however, note that they were very surprised when they entered Company X to learn that the HR department had been so recently established given the size of the organization at the time. This further strengthens the argument that organizational size is one of the key factors impacting the implementation and management of a HR department.

Finally, one of the respondents was unable to remember whether the decision had been communicated to them at the time. When questioned whether they believed a decision of this nature should have been communicated to the wider organization, IR10 stated that they did not believe such communication was necessary as ‘it is [the Managing Director’s] company’ and therefore, his decision to make. This statement serves to further bolster the idea that the Managing Director has a big personality and strong leadership approach towards both management and lower level employees across the organization, which in turn strengthens the importance of understanding his expectations in relation to the HR function.

4.2.3 Reaction

The third question asked respondents to describe their reaction when they learnt that the organization would be appointing a Group HR Executive and establishing a HR department. Again, it is important to note that two of the 10 internal respondents were not employed by Kearys at this time. These respondents however, along with the external respondents, were questioned as to whether they thought the appointment of the Group HR Executive and the establishment of the HR department was the right decision to make.

All of the eight internal respondents who were employed by the organization at the time the decision was made to hire a HR professional with the purpose of setting up the HR department stated that they were happy and reacted positively to this decision. IR7 stated he was ‘delighted’ and really ‘embraced’ the decision. Similarly, IR3 noted that he was ‘very happy’ and that ‘it was the right decision’ to make. Furthermore, IR8 commented that ‘it was a positive appointment’. In addition to this, both of the respondents who were not employed by Kearys
at the time of the decision, stated that it was the right decision for the organization. Likewise, both external respondents stated that the establishment of the HR department in Kearys was a positive development and necessary for the organization to continue to develop and grow.

As previously outlined, the majority, if not all, of the respondents highlighted management or organizational needs as opposed to employee needs as the main driving factors which led to the appointment of the Group HR Executive and establishment of the HR department. It is possible, therefore, that management within Kearys believe the Group HR Executive’s primary focus is to take the pressure off managers across the organization. Arguably, this could explain the unanimously positive reaction management within Kearys had towards the appointment of the Group HR Executive and implementation of the HR department. This again highlights the critical importance of managing the expectations of management within Kearys as one of the first priorities of the newly appointed Group HR Executive.

4.3 Understanding HR in Kearys: Changes, Challenges, Responsibilities and Perception

The second set of questions focused on respondents’ perception of the HR function within Kearys. These questions attempted to evaluate the impact the HR function has had on the organization since its implementation by asking respondents how the HR department has affected their own day to day operations. Respondents were then requested to outline what they believe to be the main challenges the HR function has faced during its implementation and continues to face throughout the management of the function. Further questions in this group were aimed at a better understanding of what the organization believes the HR function should be responsible and sought to ascertain whether the respondents believe the HR department should represent the employees, management, or both. These questions centred on whether the HR function has been supplied with the necessary resources to achieve its objectives. Finally, they sought to understand how the HR function is perceived by employees across the organization as a whole.

4.3.1 The Impact of the HR Department

Respondents were first asked to outline what they believe has changed for them on a day to day basis since the appointment of the Group HR Executive and the implementation of the HR department. It is important to note that two of the 10 internal respondents were not employed
by Kearys at the time of the appointment and as such are not relevant to this question. Six of the eight internal respondents who were employed by Kearys at the time of the appointment of the Group HR Executive and implementation of the HR department stated that the biggest change for them on an individual basis has been in relation to recruitment including better talent entering the organization, less time spent on sourcing suitable candidates and the reassurance that the organization is presenting itself professionally to the labour market. As noted by IR7:

_It gives me great confidence that I know when we do recruit or when we do put ads in the paper or jobs.ie that these are all being handled professionally, that Kearys as a Group is being presented very well._

Furthermore, IR2 noted that the Group HR Executive has made their _'job easier' _and _'taken a bit of the stress out of it' _by sourcing and vetting suitable candidates which they then only have to interview once. Similarly, IR9 stated that _'easier access to candidates' _was one of the biggest changes he had experienced since the appointment of the Group HR Executive and the establishment of the HR department.

It is clear that Kearys have placed a heavy focus on the recruitment function. As previously outlined, five of the 10 internal respondents stated that the level of recruitment the organization was undertaking was one of the main driving factors which led to the appointment of the Group HR Executive and the establishment of the HR department. This indicates that the biggest change for the respondents since the appointment of the Group HR Executive and the implementation of the HR department has indeed been a reduction in the time spent sourcing suitable individuals and an improvement in the talent of individuals entering the organization. It could therefore be suggested that the newly appointed Group HR Executive has been forced to prioritise recruitment activities. This would appear to strengthen the argument, as previously outlined, that the organization is more focused upon individuals outside of the organization as opposed to the welfare of the employees already employed by the organization.

Three of the eight internal respondents stated that having a point of contact who they could go to for advice regarding employee relations as one of the biggest changes since the appointment of the Group HR Executive and the establishment of the HR department. As noted by IR2:
The HR person is there for a bit of advice too, you know this person isn’t pulling their weight, or she’s not pulling her weight, this person is late and how do we deal with these things.

Similarly, IR10 stated that having a point of contact for advice was beneficial to them on a day to day basis while IR6 noted that being able to ‘pick up the phone’ or ‘send an email’ for advice from someone based within the organization was far more desirable than seeking advice from someone based outside of the organization. This emphasis on the importance of having a point of contact also strengthens the need for adequate communication within the organization. While, the Group HR Executive currently appears to be sufficiently accessible to managers across the organization, it is critical that this accessibility is preserved to maintain manager support and buy-in. However, this may prove difficult if the Group HR Executive’s workload is set to increase in line with the expansion of the organization.

In addition, three of the eight internal respondents cited having more certainty regarding legal compliance as one of the biggest changes they had experienced since the appointment of the Group HR Executive and the establishment of the HR department. IR9 noted that the reassurance that everything is ‘legal and above board’ has been a positive change while IR10 noted that:

*It’s the fact that there is no grey area. [The Group HR Executive] is in to do [their] job and if we have a question and [the Group HR Executive] does not know the answer, then [they] will go find out and come back and we know that [they] have the correct answer.*

This highlights the importance of initially attracting and appointing a qualified, experienced HR professional capable of establishing the HR department within the organization as well as correctly advising managers in relation to compliance with employment legislation.

Finally, two of the eight internal respondents noted that a reduction in administration was one of the biggest changes they had experienced since the appointment of the Group HR Executive and the establishment of the HR department. IR8 noted that they had previously been responsible for the Group payroll function but that this had now passed to the Group HR Executive thereby ‘freeing up’ their time considerably. In addition, IR5 noted that the Group
HR Executive had provided much needed administrative assistance in relation to minuting and documenting grievance and disciplinary meetings.

It is interesting to note that many of the changes respondents have experienced since the appointment of the Group HR Executive and establishment of the HR department reflect the main reasons given as to why the department was set up in the first place. As previously outlined, the majority of these reasons were focused on the needs of management as opposed to the needs of employees. It could be argued, therefore, that the newly established HR department has been forced to prioritise activities which support management and organizational needs over employee needs and that the HR department has not been afforded the opportunity or permission to engage/support employee needs. This could in turn make it more difficult for the HR department to acquire and maintain employee buy-in and support, the importance of which is discussed in more detail below.

4.3.2 Challenges Faced by the HR Department

Respondents were also asked to outline what they believe to be the main challenges faced by the HR department during its initial implementation and continued management of the function. There were a plethora of challenges listed by the respondents. First, five of the 10 internal respondents noted employee buy-in as one of the biggest challenges facing the HR department. IR10 noted that ‘getting all of the staff on board’ would be one of the biggest challenges the HR department would need to overcome. In addition, both IR4 and IR9 stated that ‘getting to know all of the staff’ would be both challenging and critically important. Furthermore, IR2 noted that adequate communication was needed by the HR department to ensure employee buy-in from initial implementation.

While the importance of gaining and maintaining employee buy-in is somewhat supported by HR literature (Armstrong, 1999), there does appear to be more weight given to the importance of acquiring and sustaining line management and senior management buy-in, (Punia and Sharma, 2015; Genc, 2014; Marchington and Wilkinson, 2012). It is interesting, therefore, to see the respondents in this instance suggesting that gaining employee buy-in, as opposed to line or senior management buy-in, will be a bigger challenge faced by the Group HR Executive when attempting to implement an effective HR department. Arguably, this would suggest that respondents in this instance are placing the same, if not more, importance on gaining employee
buy-in in order to successfully establish a HR department. Considering, as outlined above, that both the reasons why the HR department was established and the activities of the HR department to date appear to be focused on management and organizational needs as opposed to employee needs, one would question how the HR department can be reasonably expected to gain and maintain employee buy-in and support.

Furthermore, three of the 10 internal respondents stated line management buy-in and support as one of the biggest challenges facing the HR function within Kearys. IR4 stated that 'making a bond with managers across the branches' would be a difficult task to accomplish while IR6 noted that 'getting management to understand' the different processes of the HR function would be an obstacle faced by the HR department. As previously outlined, existing literature by Punia and Sharma (2015) emphasizes the critical importance of gaining and maintaining line management support and buy-in in order to implement and manage an effective HR department. Therefore, in order to acquire their support and buy-in, it would be prudent for the Group HR Executive to meet with all line managers across the different locations of the organization to better understand their expectations of the HR department as well as helping them to understand the proposed processes and activities of the new HR function.

In addition, three of the 10 internal respondents stated that justifying the cost of the HR department to top management would be one of the biggest obstacles faced by the HR department. Illustrating this point further IR1 noted that:

*The main challenges for any industry and in particular the motor industry; the owners and dealer principals there are always afraid of adding to the overhead. When you add to the overhead you are adding staff that are non-productive staff. So that's the main challenge, to sell the need to [the Managing Director] or to whoever else in a similar position, to build a business case. You have to tell them it's going to cost you this amount but the benefits are x, y and z.*

Similarly, both IR7 and IR6 alluded to the fact that the Group HR Executive would be considered a 'non-productive' staff member by top management and would therefore, have to justify their cost by clearly highlighting the benefits they bring to the organization. Showcasing the value of the HR department and justifying the cost it accrues on the organization were also listed as significant challenges facing a newly established HR department by both external
respondents. Therefore, it could be suggested that the act of justifying the cost of the HR department is a necessary step to gaining the full support and commitment of top management. Top management support and buy-in is in turn crucial to the successful implementation and management of a HR department (Punia and Sharma, 2015; Genc, 2014; Marchington and Wilkinson, 2012). Therefore, it would be critical for the newly appointed Group HR Executive to attempt to forecast the cost of the HR department going forward while also highlighting how the benefits of the HR department will outweigh such costs to the senior management team.

Additionally, three of the 10 internal respondents stated that adequate and sufficient planning would be a challenge faced by the HR department. IR5 noted given that there was never any centralised HR function previously in operation within the organization, the newly appointed Group HR Executive would be essentially 'coming into a ground zero situation' and would have to build the HR department from the 'ground up'. Similarly, both IR3 and IR10 noted that planning and implementing all of the necessary HR policies, procedures and systems within the organization would be one of the biggest challenges faced by the HR department. Furthermore, three of the 10 internal respondents listed communication as one of the biggest obstacles to implementing and managing an effective HR department. IR8 noted that:

Everybody just does their own thing and then relays it back to the HR department after the event.

Similarly, IR9 noted that depending on line management to keep the HR department informed of changes relating to employees within the organization would present its own obstacles. In addition, IR2 noted that the lack of communication throughout the organization could negatively impact employee and line management buy-in and support for the HR department which would present an additional challenge to the HR department. During the questioning of whether the decision to appoint a Group HR Executive and establish a HR department had been communicated to the respondents it became apparent that there was a lack of a robust communication system within the organization. It can be seen that this is once again being flagged as an obstacle to gaining both employee and management buy-in and support which is ultimately needed for the successful implementation and management of a HR department. It is therefore critical that the Group HR Executive be fully aware of what, how and to whom critical information is communicated. This argument is further strengthened by ER1 who suggests that communicating the function and role of the HR department to ensure full
understanding across both employees and management would be a key challenge faced by any newly established HR department within an organization.

Moreover, two of the 10 internal respondents listed the multi-location structure of the organization as another challenge facing the HR department. Both IR9 and IR4 noted that the multiple sites of the organization would make it more difficult for the Group HR Executive to keep track of changes within the organization and to build strong relationships with line management. This could, in turn, be further exacerbated by the previously mentioned issues with the internal communication system within the organization and affect the ability of the HR department to gain and maintain line management buy-in and support. In addition, two of the 10 internal respondents noted that having the right HR professional with the requisite experience, knowledge and skills would be a challenge faced by the HR department. This further strengthens the need to appoint a qualified, experienced HR professional capable of implementing the HR department as well as correctly advising managers in relation to compliance and employment legislation, as outlined above.

A further two of the 10 internal respondents stated that top management’s open support of the HR department which they consider necessary for the HR department to achieve the buy-in and support from both line management and employees would be another challenge faced by the HR function within Kearys. Finally, individual respondents noted resistance to change within the organization and uniting departments in order for them to work together as further challenges facing the implementation and operation of the HR department within Kearys.

### 4.3.3 The Responsibilities of the HR Department

The third question asked respondents to outline what they thought the HR department should be responsible for. The duties listed by the respondents were broad and substantially varied. Five of the 10 internal respondents stated that a HR function should be responsible for recruitment activities within the organization. Similarly, both external respondents noted that a HR department should be responsible for recruitment activities. IR9 noted that the HR department ‘should be responsible for the hiring of the right candidates’ while IR7 stated that:

> All of the recruiting and managing all of the CVs and keeping in touch with good people that’s probably priority number one.
This continued focus on recruitment serves to strengthen the argument, as previously outlined, that the HR department is coming under increased pressure to prioritise management needs over employee needs.

In addition, five of the 10 internal respondents as well as ER2 mentioned that providing advice to management as another function for which the HR department should be responsible. IR6 noted that the HR department should be responsible for ‘giving information to middle management’ and advising them on what is ‘the right thing to do’. Similarly, IR9 refers to the employment relationship as a ‘minefield’ and suggests that it is the purpose of the HR function to explain to line management the complexities of what the organization should and should not do in certain situations.

Furthermore, four of the 10 internal respondents state that talent management should be a function of the HR department. Talent management was distinguished from the activity of recruitment by a number of managers who noted that it’s simply not enough to hire someone to fill a vacancy. Instead, the individual must be ‘vetted’ accordingly. In addition, a number of respondents including IR5, IR3 and IR8 alluded to the fact that the organization had previously hired unsuitable individuals and it should therefore, be the responsibility of the HR department to stop this from happening in the future.

Three of the 10 internal respondents as well as both external respondents stated that the HR department should be responsible for carrying out disciplinaries when necessary. IR1 stated that it is the responsibility of the HR department to carry out the ‘nasty stuff’ when it comes to disciplining employees. Similarly, IR8 noted that:

> Ultimately, the disciplinary hearings with individuals or people being out sick or people being late etc., that’s all for the HR department.

In addition, two of the 10 internal respondents stated that policy creation and implementation should be the responsibility of the HR department. IR5 noted that it is about ‘the development and ongoing management of our processes’ while IR8 stated that the HR department should ‘implement policies’ that stop the need for disciplinary procedures in the first place. Interestingly, two of the 10 internal respondents stated that payroll should be the responsibility of the HR department while one of the 10 internal respondents noted that payroll should not be
the responsibility of the HR department. Furthermore, two of the 10 internal respondents stated that the HR department should be responsible for managing the employment relationship between the employee and the organization. Finally, there were a number of responsibilities listed by individual internal respondents including administration, advising employees, conducting appraisals, providing the organization with a competitive advantage, monitoring time and attendance and ensuring employee well-being. Additionally, both external respondents listed training and development, HR administration, ensuring legal compliance with employment legislation and performance management as key responsibilities of the HR department.

It is interesting to note that only one internal respondent, from both internal and external respondents, listed employee well-being and advising employees as something for which the HR department should be responsible for. This serves to highlight yet again the expectations of management for the HR department to support management and organizational needs over those of employee needs. It is quite evident at this stage, that the management of Kearys have given very little consideration to the employee when initially deciding to implement the HR department as well as how it should conduct itself going forward. This adds significance to the fact that five of the 10 internal respondents listed gaining employee buy-in as one of the biggest obstacles which the newly established HR department will face.

It is also interesting to note the variety and broadness of the responsibilities listed by the respondents. The majority, if not all, of the respondents, both internal and external, were hesitant in answering this question with a number of respondents even stating it was a difficult question to answer. In addition, there are a number of responsibilities supported by current literature which were not mentioned by any of the internal respondents including reward management, health and safety of employees, learning and development, training, managing change, integration, evaluation and employee engagement (CIPD, 2017; Armstrong, 2014; Bratton and Gold, 2007; Armstrong, 1999). It could be argued therefore, that many of the respondents are not fully aware of the purpose or responsibilities of a HR department. This lack of awareness and understanding could potentially make it more difficult for the newly established HR department to manage the expectations of the management team and ultimately acquire and maintain their support. It would therefore, be vital that the Group HR Executive clearly outlines the responsibilities and processes of the HR department from the outset. What is even more surprising, is that both external respondents (working HR professionals) were
also hesitant when listing the responsibilities of the HR department. This appears to reflect the disparities regarding the functions of a HR department also evident within current literature. It is suggested therefore, that before the Group HR Executive can clearly outline the role and responsibilities of the newly established HR function within Kearys, the Group HR Executive must first ensure he/she fully understand it him/herself.

4.3.4 Who does the HR Department Represent?

Respondents were questioned in relation to whether they believe a HR department should represent the employees, management or both. Furthermore, it asked the internal respondents to identify whether they believe this to be the case within Kearys. Interestingly, all of the 10 internal respondents as well as both external respondents stated that they believe the HR department should represent both the employees and the management within an organization. Many of the respondents elaborated further noting that a HR department should act as a 'middle-man' or 'conduit' between the employees and management. This idea was illustrated by IR8 who noted that:

[A HR department] should be completely unbiased in relation to staff and management and come together between them both.

Similarly, IR1 noted that:

Both. If it's going to be fair it has to be both. I think if it is just the employees then it will be too soft and if it is just the employer it will be too hard. You have to keep a fair balance.

When questioned whether they believed this to be the case within Kearys, eight of the 10 internal respondents stated that they did believe this to be the case within Kearys while two of the 10 internal respondents noted that they believed the HR department offered stronger representation towards the management of the organization.

It is surprising to note that all of the respondents believe that a HR department should represent both the organization and the employees. This belief appears to contradict a number of statements previously outlined by the respondents. In particular, the lack of consideration for
employee needs and employee welfare illustrated in both the reasoning behind the decision to appoint a Group HR Executive and establish a HR department and the responsibilities a HR department should have as outlined by the respondents appears to be in sharp contrast to the belief that a HR department should represent the employees as well as the employer. It could therefore, be argued that while the management of Kearys believe a HR department should ideally represent both the employees and the organization, they do not truly embody this belief in practice. Furthermore, eight of the 10 internal respondents believe that the HR department in Kearys does represent both management and the employees. However, there is very little evidence so far to prove that this is the case. This causes one to question whether this belief of the respondents is founded upon a lack of awareness and/or denial. This in turn could cause further issues for the HR department when attempting to communicate and explain the processes and responsibilities of the HR function to management within Kearys.

4.3.5 Perceived Resources of the HR Department

Whether they believed the HR department within Kearys had been given enough resources to achieve its objectives was another question asked of the respondents. Eight of the 10 internal respondents and both external respondents stated that they believed that the HR department had not been given enough resources to achieve its objectives. Furthermore, the majority of these respondents noted that they did not believe one Group HR Executive was enough to facilitate the needs of an organization the size of Kearys with approximately 300 employees. Elaborating upon this point, IR8 noted that:

No, bottom line, no. With over 300 staff it's quite difficult to manage and the fact that the company is only growing means that there are extra resources required to employ new people, do up new contracts and as the economy grows people will leave the company and those people will need replacement as well.

Two of the 10 internal respondents stated that they did believe that the HR department had been given sufficient resources to achieve its objectives. When questioned further, both respondents suggested given there was no HR professional or HR department in operation within the organization prior to February 2016, one Group HR Executive should be sufficient for what the organization is trying to achieve by implementing the HR department. It could be argued therefore, that the belief that the HR department has been given enough resources to
achieve its objectives is based more so on the fact that there was previously no HR department in place as opposed to the belief that the HR department does indeed have enough resources to operate efficiently. This highlights a further lack of understanding in relation to the workload and responsibilities of the HR department within Kearys which could further hinder the HR department in acquiring and maintaining the support and commitment of both line and senior management.

The current size of the organization coupled with the fact that the organization has plans for further expansion in the near future brings into question whether the Group HR Executive can reasonably be expected to successfully implement and manage an efficient HR function. Furthermore, the lack of resources afforded to the HR department by top management also brings into question the importance top management places upon the HR function. If the HR department is unable to achieve its objectives due to a lack of resources, it will be more difficult to showcase the benefits of the HR function and ultimately justify the costs which it incurs upon the organization. As a result, the HR department may in turn lose the buy-in and support of top management making it more difficult to achieve its objectives. And so the cycle continues. Therefore, it would be critical for the Group HR Executive to first meet with top management to agree and plan for what can be reasonably achieved by the HR department taking its given resources into consideration.

4.3.6 The Perception of the HR Department

The final question attempted to ascertain how the HR department is perceived by employees across the organization as a whole. Four of the 10 internal respondents stated that they believed that the HR department was viewed positively across the organization with both IR7 and IR4 further stating that the HR department was perceived as being ‘trustworthy’. Furthermore, three of the 10 internal respondents stated that they believed employees across the organization ‘did not know an awful lot about it’ (IR6) and in some cases, may not have even been aware of the HR department’s existence (IR3; IR1). Interestingly, the Group HR Executive would contest that, at this stage, the HR department has communicated with all employees within the organization, either through mass Group communication or on an individual basis. This suggests that the management within Kearys are ‘out of touch’ with the needs of their employees and do not fully comprehend or understand the activities and workload the HR department undertakes daily. This could in turn make it more difficult for the HR department
to achieve its objectives and justify the cost it incurs upon the organization. As previously outlined, this could cause the HR department to lose top management commitment and support.

In addition, two of the 10 internal respondents stated that they believed employees across the organization only became aware of the existence of the HR department when they were ‘in trouble’ (IR9; IR8). It would therefore, be important for the HR department to review its contact with employees to ensure that there is positive communication, not just negative. This would be important to maintain the positive perception of the HR department within the organization and ultimately employee buy-in and commitment. Finally, one of the internal respondents noted that the perception of the HR department depended upon skill level of the employee and would vary accordingly across the organization.

Interestingly, ER2 also suggested that the perception of a HR department is linked to the turnover within the department. Elaborating upon this point further, ER2 stated that:

\[\text{Within 2 years [the HR department of Company X] went through about 4 people.}\]
\[\text{[Employees] just say "Sure there's no stability in that department." So from that point of view would they go to you with concerns when they think you could change, they think you're not going to be there? No.}\]

This strengthens the argument that appointing a HR professional with the requisite knowledge and skills as well as team/culture fit, thereby ensuring low turnover within the HR department, would be imperative for the successful implementation and management of a HR department.

### 4.4 HR and the Internal Environment

Internal respondents were asked to outline any internal factors within Kearys which they believe to be having an impact on the implementation and management of the HR department. In addition, external respondents were questioned regarding any internal factors that may be present in any organization within the motor industry which could have an impact on the implementation and management of a HR department. In particular, respondents were asked to consider organization size, organization structure, organization vision, mission and business strategy, organization history, tradition and past practices, line management and top management.
4.4.1 Organization Size

The first factor respondents were asked to consider was that of organization size. All 12 respondents, both internal and external, unanimously agreed that organization size would have an impact on both the implementation and management of the HR function within Kearys. When questioned whether they believed organization size was having an impact on the currently developing HR department, IR1 stated that:

*The size of it, yes, at the moment because there is only one [Group HR Executive]. Even if there was one more person and [the Group HR Executive] didn’t have payroll then I don’t think the size would be too much for a two person department. But currently, yes, with the current situation, absolutely.*

Furthermore, a number of respondents noted that the size of the organization and the number of employees within it, is putting the current HR department under pressure due to a lack of resources within the HR department. IR4 noted that the bigger the organization gets the more ‘responsibility’ the Group HR Executive has. Similarly, IR10 stated that:

*That is a lot of responsibility and work for one person. It could do with being developed so you have another point of contact so that [the Group HR Executive] is not snowed under. I think that [the Group HR Executive] is being tasked with an awful lot.*

Considering, as previously outlined, that nine of the 10 internal respondents and both external respondents listed organizational size as being one of the main driving factors behind the decision to appoint a Group HR Executive and establish a HR department, this unanimous agreement is hardly surprising. Furthermore, current literature also supports the idea that organization size will impact the HR function and cause it to adapt its policies and procedures accordingly (Jackson and Schuler, 2005; Ng and Maki, 1993), but fails to mention how the size of the organization could impact upon the resources of the HR department as suggested by the respondents. As previously outlined, eight of the 10 internal respondents and both external respondents suggested that one Group HR Executive is not adequate to sufficiently manage the HR function in an organization the size of Kearys. Further plans for expansion will only serve to put additional strain on the HR department and increase the overall workload of the Group HR Executive. Therefore, it is critical to consider the staffing of the HR department during
initial implementation and to monitor staffing levels as the size of the organization changes to ensure sufficient resources are in place to achieve the HR department’s objectives.

4.4.2 Organization Structure

Nine of the 10 internal respondents agreed that the organizational structure of Kearys was having an impact on the implementation and management of the developing HR function. All of these nine respondents stated that the multi-location set up of the Kearys Group as the biggest challenge to the HR department. IR1 commented that:

*I think the way Kearys is structured at the moment is completely upside down. I believe it is not a Group, it is just a collection of dealerships and there is not enough of a Group identity. I think because the HR department is so small and [the Group HR Executive] is not able to get out and implement things, [the management] don’t recognise [the Group HR Executive].*

Similarly, IR10 and IR2 commented that the organization was divided as a result of the multiple locations and brands within the Kearys Group. This division between locations and brands has in turn resulted in a perception of inequality across the organization (IR6) creating an element of animosity and bitterness between employees, managers and departments of different locations. This has further hindered internal communications, interaction, teamwork and understanding between different departments. As a result, each department is focused on its own operations and does not consider how it can support or hinder the efficient operation of other departments (IR8). It is suggested therefore, that multiple locations and brands across the Kearys Group combined with an inefficient internal communication system are causing each department to work towards accomplishing their own departmental goals without consideration for overall organizational objectives. This could in turn result in an inefficient and less productive workforce and negatively affect the overall performance of the Kearys Group. It also highlights the importance of introducing group wide policies and procedures as well as a robust, capable internal communication system to ensure that employees within Kearys are first and foremost treated equally across the organization but that they are also fully aware of this equal treatment.
In addition, IR4, IR3 and IR10 noted that the Group HR Executive is not as easily accessible for those employees and managers based outside of the Kearys BMW building (where the Group HR Executive is based) which could in turn hinder the Group Executive in forming solid relationships with these individuals. Furthermore, IR8 and IR2 noted that the previously outlined communication issue within the organization is further compounded by the multiple locations across the organization. IR6 stated that deciding which location in which the Group HR Executive and HR department would be based was a difficult decision to make when initially appointing the Group HR Executive. Finally, one of the 10 respondents, IR5, stated that they did not believe the organizational structure had the potential to impact the HR function within Kearys given that the organization 'is getting more structured than perhaps it's ever been.'

While the idea of organizational structure impacting upon the implementation and management of a HR function is supported by current literature, the focus appears to be more so on whether the organization is arranged vertically or horizontally (Genc, 2014) and how this can impact different types of behaviour within an organization (Jackson et al., 1989). It is interesting to note that the internal respondents in this instance, believe that organizational structure can have an impact more so from a logistics, communication and access viewpoint and do not make any reference to a behavioural impact. Therefore, it is suggested in the case of Kearys, that the Group HR Executive recognises and accounts for the impact the multi-location set-up of the organization could have on internal communications, manager and employee access to HR, the ability of HR to build and maintain relationships throughout the organization as well as encouraging the Group to operate as a united entity.

Interestingly, one external respondent stated that organization structure could have an impact on the implementation and management of a HR function as additional layers of management may complicate gaining management buy-in and support and thereby hinder the effective operation of the HR department (ER1). In contrast, ER2 stated that organization structure would not have an impact on the implementation and management of a HR department. ER2, however, appears to focus solely on the aspect of multiple locations within an organization when considering organization structure and stated that any resulting issues could be easily overcome by conducting HR clinics on each site. This suggestion is somewhat surprising considering ER2 previously stated that the HR department within Kearys is under-resourced and under-staffed and it would therefore, be difficult for the Group HR Executive to conduct
multiple, frequent site visits to each location within the Kearys Group. Arguably this suggestion is therefore, explained by an assumption on the part of ER2 that the HR department within Kearys will receive additional resources in the near future. Furthermore, it once again highlights the need for the HR department to be supplied with additional resources/employees in order to achieve its objectives and overcome the challenges it currently faces.

4.4.3 Organization Vision, Mission and Business Strategy

Respondents were next asked to outline whether they believed that the vision, mission and business strategy of Kearys could have an impact on the implementation and management of the developing HR function. Six of the 10 internal respondents and both external respondents stated that they did believe the organization’s vision, mission and business strategy could impact the HR department. Both IR8 and IR10 noted that the upcoming expansion of the organization and the resulting recruitment of employees would be a business strategy which the HR department should be responsible for achieving. Similarly, ER1 noted that HR strategy must align with overall business strategy while ER2 suggested that the activities of the HR department should assist an organization in achieving its overall objectives. In contrast, four of the 10 internal respondents stated that they did not believe the organization’s vision, mission and business strategy would impact the HR department. It is, however, important to note that these respondents suggested this lack of impact on the HR department is due to a lack of a formal or structured vision, mission or business strategy in place within the organization as opposed to generally believing that an organization’s vision, mission and business strategy would have no impact upon a HR department. Illustrating this point further, IR10 stated that:

No, I don’t think so. They keep changing the goal posts. They would be all about one thing and then they change. They keep changing.

Similarly, IR1 commented:

What is the vision and mission of the organization? I don’t know what it is. I have spoken to [the Managing Director] and [Renault Dealer Principal] and there is a little bit of a vision there but there is a lot of inaction about putting that vision in place. There is no mission statement. I don’t know what the mission is.
While current literature does support the concept of an organization’s vision, mission and business strategy affecting a HR department (Gene, 2014; Bartkus et al., 2004, 2002; Bart and Baetz, 1998), it appears to focus on how the presence of an organization vision, mission and business strategy can influence the values and philosophies of the organization and its employees. It does not appear to discuss in detail how the lack of an organization vision, mission and business strategy can also have an impact as suggested by four of the 10 internal respondents in this instance. It is therefore, suggested that the Group HR Executive be cognisant of the uncertainty and lack of direction not having an organizational vision, mission and clear business strategy in place can have upon both managers and employees within Kearys.

4.4.4 History, Tradition and Past Practices

Respondents were also questioned in relation to the potential impact the history, tradition and past practices of an organization could have on the new HR department and whether they believed this was the case within Kearys. Seven of the 10 internal respondents and both external respondents stated that they believe this could have an impact on the implementation and management of a HR department within Kearys. Of these respondents, five internal respondents and one external respondent stated that resistance to change would be the biggest challenge for the new HR department considering there has never been a dedicated HR function within the organization before. IR1 noted that:

*Change, in particular in Kearys, does not come easy. There is a lot of push back unless they see the benefits but I think selling that benefit could be tough.*

Similarly, IR4 noted that *'people are stuck in their ways’* and that *'they don’t want to change’* while IR5 stated that there will always be people who *'don’t like change.’* In contrast, three of the 10 internal respondents stated that they did not believe that the history, tradition and past practices would impact the HR function given it is the Managing Director who has always and will continue to *'call the shots’*. This further illustrates the big personality and strong management approach adopted by the Managing Director.

Current literature, for example Gene (2014), supports the notion that the history, past practices and traditions of an organization can impact upon the implementation and management of a
HR department. It is interesting to note that current literature refers to resistance to change given the history, past practices and traditions of an organization being a potential issue which the HR department can experience (Kane and Palmer, 1995) and as a result lists change management as a key function of the HR department (CIPD, 2017; Bratton and Gold, 2007). It is therefore, surprising that while six of the respondents also suggest that resistance to change will be a challenge faced by the HR department, these respondents did not list change management as a key function of the HR department when previously questioned. This strengthens the argument that management within Kearys (and at times, even external HR professionals) do not fully understand what the responsibilities of the HR department are, or should be, further emphasising the need for the Group HR Executive to meet with management across the Group to clearly outline the processes and responsibilities of the HR function.

4.4.5 The Impact of Line Management

Respondents were also asked whether they believed that line management had an impact on the implementation and/or management of the HR department. All 12 respondents, both internal and external, confirmed that they believed line management could have an impact on the HR department. There were a number of reasons listed by the respondents as to why they thought this was the case. First, IR5 stated that if the right managers are in place with the relevant skills, knowledge and experience, then they should be able to manage any employee issues before they become big enough to warrant the HR department getting involved. This in turn, would take the pressure off the HR department and free up the Group HR Executive’s time to pursue other objectives. In addition, IR5 and both external respondents also noted that having the right managers in place means that they would ‘lead by example’ and that their visible support for the HR department would encourage employees to follow suit. This highlights the importance of the quality of talent entering the organization at all levels and suggests that the recruitment strategy implemented by the HR department should aim to identify and attract desirable management attributes. Training and development initiatives should also aim to identify suitable employees and provide them with the training, guidance and career path to successfully take up leadership and management positions within the organization.

Four respondents, IR9, IR2, IR8 and IR7 all noted that adequate communication and feedback between line management and the HR department would be critical to ensure the successful
implementation and management of the new HR function. Without adequate information and communication coming from management, the HR department would be unaware of issues and therefore, unable to provide assistance and advice when necessary (IR9; IR2; IR8; IR7). In addition, IR1 stated that line management’s understanding of the HR department would also impact upon its implementation and management.

_They have to understand what [the HR department] does and what [it] can do for them. They also need to understand what [the HR department] does not do because if they can lump some of their work on top of [the HR department] they will. They need to understand what [the HR department’s] function is and what [the HR department’s] role is._

Sufficient line management understanding of the HR department’s role is therefore, critical to ensure that the HR department is aware of issues where it can provide support, guidance and advice as well as ensuring that the HR department does not become tasked with additional work and duties which do not fall under its remit. Otherwise, the focus and resources of the developing HR department could become unduly burdened affecting its ability to achieve its objectives, justify its cost, showcase its value and ultimately maintain line and top management buy-in and support.

Current literature also supports the idea that line management may affect the implementation and management of a HR function within an organization (Punia and Sharma, 2015; Rosman et al., 2013; Armstrong, 1999). Interestingly, the reasons why line management can affect a HR department given by current literature differ from those offered by the respondents in this case. Current literature suggests the intimate knowledge line managers have in relation to their employee’s capabilities and requirements (Punia and Sharma, 2015) as well as the managerial styles they choose to adopt (Rosman et al., 2013) can have an impact upon a HR function. In contrast, respondents listed a manager’s ability to deal with employee issues before they require HR intervention, leading by example to encourage employee support of the HR function and providing information relating to changes and issues within the organization to the HR department as the key ways in which line management can impact the HR department within Kearys. It is also interesting to note that the importance of effective internal communication and management understanding of the HR function have once again been flagged as potential challenges facing the HR department.
4.4.6 The Impact of Top Management

In a similar vein to the previous subsection, respondents were asked whether they believe that top management within Kearys can have an impact on the implementation and management of the developing HR department. Again, 12 respondents, both internal and external, confirmed that they did believe top management could have an impact. All 10 internal respondents noted that the organization is run by the Managing Director and whatever ‘he says goes’. Referring to the importance of having the Managing Director’s buy-in and support, IR5 stated that:

*If we don’t have that, we don’t have it. It’s very simple in this set up. When [the Managing Director’s] buy-in isn’t there then it is just not going to happen. Simple as. If [the Managing Director] has bought in to then we are fine. If [the Managing Director] does not want to do it then we won’t be doing it.*

Similarly, IR10 noted that:

*[The Managing Director] is the man calling the shots at the end of the day. It’s his business and it’s in his best interest. We are employees for him. We are only a number.*

Furthermore, IR2 noted that the Managing Director will very often make decisions without consulting any of his management team even though they may have more inside information regarding a particular topic than he would himself. Similarly, both external respondents suggested that if a newly established HR department did not have the support and buy-in of top management, then the HR department would not ‘have a voice’ or be able to ‘influence’ effectively (ER1). The need to gain top management buy-in and support for the smooth implementation and management of a HR department is also strongly supported by current literature (Punia and Sharma, 2015; Genc, 2014; Marchington and Wilkinson, 2012; Armstrong, 1999).

The above descriptions of the Managing Director reinforce the ‘big personality’ and ‘strong leadership’ qualities which have already been identified by respondents when questioned in relation to challenges facing the HR department, whether the decision to appoint a HR professional and establish a HR department was communicated to respondents and whether the history, traditions and past practices of an organization can impact a HR function. Evidently,
many of the decisions made within the organization are made solely by the Managing Director. It is also evident that if a function does not have the Managing Director’s buy-in and support, it has very little chance of success within the organization. It could therefore, be argued that achieving top management’s buy-in and support in this instance, is more important than any other internal factor. It is critical therefore, that the Group HR Executive fully understands the reasons behind why the Managing Director decided to appoint a HR professional and establish a HR department to understand his expectations for the department and ultimately acquire and maintain his support and buy-in.

4.4.7 Internal Politics and Power

Finally, respondents were asked to consider whether internal politics and power could have an impact on the implementation and management of the HR department. Eight of the 10 internal respondents and both external respondents confirmed that they believe internal politics and power could have an impact on the HR department. Both IR3 and IR4 suggested that any organization of Kearys size will always have an element of internal politics while ER1 stated that politics and power plays exist ‘within every walk of life’. In addition, IR6, IR8 and IR2 all suggested that the previously discussed divide between the different dealerships and brands within the Group encouraged internal political issues and power plays. Expanding on this point further, IR6 noted that:

It comes down to power plays between managers who try to look after their own department independently and they don’t look at the overall organization as such. They look at their department and once their department is working efficiently they don’t really care.

As previously outlined, IR6 suggested that there is a perception of inequality between the different brands within the Kearys Group stating that many employees within the organization believe that BMW ‘get everything’. Two of the 10 respondents stated that they did not believe internal politics and power exist within Kearys and therefore that they do not have an effect on the HR department.

Current literature also supports the idea that internal politics and power can affect the implementation and management of a HR function. Literature suggests however, that this effect
manifests itself through management’s favouring of employees, policies or practices that support their own agendas (Genc, 2014; Kane and Palmer, 1995). In contrast, respondents in this case suggest that perceived inequality between different brands and locations within the organization has caused the Kearys Group to become divided which has in turn negatively affected internal communications. This divide and perceived inequality, heightened by the existence of multiple locations, has created an element of animosity and bitterness between employees of different locations. It is critical that the organization eliminates such hostility between employees to ensure sufficient teamwork, engagement and communication exists between all functions of the organization. This further strengthens the argument for the implementation of uniform group wide policies and procedures to ensure all employees are treated equally. This may however, present further challenges in relation to bonus and commission structures offered to employees. If, for example, sales executives across the Kearys group were offered 10% commission on each vehicle sold, then the sales executives working within the BMW dealership would earn more commission than the sales executives working within the Hyundai dealership due to the higher retail price of BMW vehicles. The higher rate of commission for BMW sales executives however, may be offset by the increased number of vehicles sold in Hyundai. It is critical therefore, that the Group HR Executive meets with the Sales Managers of each brand within the Kearys Group to fully understand the sales process, retail value, number of units sold etc. and ensure that an equal and fair commission structure for the Kearys Group is developed regardless of which dealership employees are based.

4.5 HR and the External Environment

In addition to internal factors, respondents were asked to consider external factors within the motor industry which have the potential to impact the implementation and management of the new HR department within Kearys. In particular, respondents were asked to consider socio-cultural factors, technological factors, economic factors, environmental factors, political factors, legal factors and ethical factors.

4.5.1 Socio-cultural Factors

Respondents were first questioned in relation to socio-cultural factors and whether they believed any of these factors currently exist within in the motor industry and could potentially have an impact on the HR function within Kearys. All 12 respondents, both internal and
external, confirmed that they believe there are socio-cultural factors existing within the motor industry which will impact the implementation and management of the HR department. Eight of the 10 internal respondents suggested that the skills currently required by the motor industry do not exist within the labour market. Seven of these eight respondents suggested that the lack of available skills within the labour market is due to rapid advancements in technology (IR1, IR7, IR3, IR4, IR6, IR2, IR10) while one of these respondents drew attention to the level of emigration of skilled professionals during the recession of 2008 (IR5). Elaborating further on this point, IR5 stated that:

_The only problem that we’ve had from our perspective is that the recession meant a lot of people left the country. A lot of skilled people left the country. A lot of technicians left the country. You know in 2008, 2009, 2010 that haven’t come back. And it’s a massive issue. We have to go back and train our own._

In relation to rapid advancements in technology having an impact on the skills required by the motor industry, IR1 noted that:

_This industry is changing so fast and it is getting so complicated and so technical that by the time the Apprentice qualifies the decline in diesel and petrol cars is going to be huge and it is all going to be electronics and touch screens. You have to be a really special kind of guy or girl to fix the cars that are coming down the line._

Evidently, the lack of requisite skills within the labour market will have a significant impact on the HR function within Kearys. It will place increased pressure upon the recruitment function by making its objectives more difficult to achieve. Given that recruitment activity has already been highlighted as one of the most important functions of the HR department by management within Kearys, a failure to achieve its objectives could lead to a loss of confidence in the HR department by managers across the organization. The lack of skills will also place increased pressure upon the already under-staffed HR department to ensure turnover levels remain as low as possible and that the organization retains its skilled staff members. Furthermore, the lack of appropriate skills within the labour market will increase the level of training initiatives required by the organization. This will once again place increased pressure upon the already under-staffed HR department. It is critical, therefore, that the HR department of Kearys remains fully aware of
the current and future skills required by the organization, monitors the skills available within the labour market and implements/adapts initiatives accordingly.

In addition, resistance to change, particularly in relation to new technologies, within the motor industry was also listed as a socio-cultural factor which could affect the implementation and management of the HR department by three of the 10 internal respondents. Referring to the decline in petrol and diesel cars and the increase in electric and hybrid cars, IR6 noted that 'Ireland isn't ready for the change in vehicle'. Similarly, IR10 noted the people of Ireland 'panic' and 'don’t know what to do' with the emergence of new technologies. Likewise, ER1 suggested that the 'old-fashioned' nature of the motor industry may encourage or facilitate a resistance to change which could impact the implementation of a new HR department within a dealership.

Furthermore, three of the 10 internal respondents listed the uncertainty of the younger generation in the pursuit of their careers as another socio-cultural factor within the motor industry which could impact the implementation and management of the HR department within Kearys. These respondents suggested that young adults now graduate from college without any idea of what they want to do or what career they wish to pursue and as a result, do not consider a career within the motor industry as an option. This point is illustrated by IR5 who states that:

*I think that people go into college, university, they come out with a qualification and don’t really even know what they’re going to do at the end of it. You would be better off getting into the game, getting into the industry, and getting into it young and be ahead of the game four or five years later and well on their path. I think that people don’t even know what they want to do.*

In addition, IR9 noted that the widespread use of social media by the younger generation is 'poisoning the whole place' and negatively affecting the 'level of work' and 'mentality of the youth'. Finally, ER2 suggested the highly competitive culture of the motor industry hindered shared knowledge between HR professionals of different organizations. Considering the lack of information and guidelines available within current literature in relation to how to set up a HR department from scratch, this additional lack of shared knowledge will further hinder the Group HR Executive during the implementation and management of the new HR department within Kearys.
It is interesting to note that the socio-cultural factors mentioned in this section have been largely entwined with and influenced by other external environmental factors. In particular, a combination of technological and economic factors, the advances in relation to hybrid and electric vehicles and the 2008 recession respectively, have been largely responsible for the current skills shortage within the motor industry. This will in turn, influence the activities of the HR department in relation to recruitment, training and development and retention. This suggests that external factors cannot be viewed or considered in isolation of each other given that the existence of one external factor may influence, aggravate, alleviate or even create another external factor. The external environment in which an organization operates should therefore, be considered as a dynamic, fluid whole and full consideration must be given to all external factors and the influence they hold over one another.

4.5.2 Technological Factors

Respondents were also asked to consider whether technological factors capable of affecting the implementation and management of a HR function were present within the motor industry. All 10 of the internal respondents and one of the external respondents stated that technological advancements and changes within the motor industry are having a significant impact on the industry and as a result, on the implementation and management of a HR function within the industry. IR9 noted that the improved technology of vehicles has caused them to require less frequent services which will in turn lead to a loss of business and jobs. Furthermore, eight of the 10 internal respondents referenced the decline in sales of petrol and diesel cars (largely due to increased environmental protection measures) and the increase in sales of hybrid and electric vehicles as being the main technological factor impacting the motor industry. This increased demand for hybrid and electric vehicles has in turn affected the skills required from mechanics. This point was illustrated by IR6 who noted that:

*It’s going to be a hybrid of the two. You don’t want to have electric technicians and mechanical, you need someone who can do both.*

Similarly, IR3 stated that:

*Even the basic of the basic mechanic now needs to be almost an auto electrician then a pure mechanical mechanic.*
It is evident therefore, that technological advances and the rapid emergence of hybrid and electronic vehicles within the motor industry are having a significant impact on the type of skills mechanics now require in order to perform their duties. This supports the argument, as outlined above, that the necessary skills do not exist, or are at least limited, within the labour market. This will make it increasingly difficult for the HR department to source and recruit suitable individuals as well as place increased pressure to reduce turnover levels and provide additional training to current employees.

Furthermore, IR7 noted that technological changes (particularly within the Kearys BMW dealership) in the form of increased processes and systems encourage/force older or more experienced mechanics to look for positions with less advanced dealerships as the new systems 'just weren't for them'. Obviously, an increase in turnover of skilled/experienced mechanics within the organization would be highly undesirable due to, as previously outlined, the lack of readily available skilled mechanics within the labour market. It is critical therefore, that the HR department within Kearys addresses the resistance of the older, more experienced mechanics to engage with new technologies either through relevant training or the slow introduction of new technology.

It is also interesting to note that the technological changes within the motor industry; the increased demand for electric and hybrid vehicles has been largely driven by the increased pressure faced by manufacturers to be more environmentally friendly. This again strengthens the argument that external environmental factors are not separate entities but instead shape, influence and affect each other. It is critical therefore, that the HR department monitors the entire external landscape as opposed to just one or two areas.

4.5.3 Economic Factors

Respondents were asked whether they believe economic factors capable of affecting the implementation and management of a HR function exist within the motor industry. All 12 respondents, both internal and external, confirmed that they believe economic factors capable of affecting the HR department currently exist within the motor industry. Additionally, respondents identified three key areas in which economic factors were having an impact. First, the condition of the economy and the resulting performance of the organization has an
influence over the type of salaries and packages the organization is capable of offering to its current and potential employees. IR1 elaborating further on this point stated that:

*I think from a HR perspective you need an awareness of the market and awareness of where the salaries and packages should be and if you want a certain type of person then you have to appear attractive to them.*

Considering the previously discussed lack of skills within the labour market, it is imperative that Kearys remain competitive in relation to the salaries and packages it offers both its current and potential employees in order to retain and attract desirable, productive individuals. The HR department must therefore, continually monitor the industry standards in relation to salaries and packages offered within the motor industry. In addition, as the demand for skilled mechanics continues to increase, so too could their demands regarding salaries and packages offered to them. This could in turn place increased financial burden upon the organization and increased pressure upon the HR department, as well as other departments within the organization, to limit and justify their costs.

Secondly, respondents suggested that potential buyers within the industry, as well as the respondents, are using increased caution in relation to spending money as a result of the 2008 recession. Further to this point, IR10 noted that:

*Certainly for myself I am looking at being a bit more cautious than I was in 2008. I was in a company that closed down. I didn’t have a lot of money coming out of there whereas now nine years later, I have money set aside so that I can survive. I am not being foolish with my money compared to back then when I would have been foolish.*

Furthermore, the increased caution within the market and the reluctance to spend money has resulted in a ‘lack of money in the system’ (IR3). According to IR8, a lack of money in the system means that ‘cars won’t be sold and jobs will be lost’. Clearly, a lack of money within the motor industry and as a result, within Kearys will have a significant impact on the HR department as well as on the operation of the organization as a whole. Decreased available resources will place additional pressure upon the HR department to operate leanly as well as justify its costs. Failure to do so, will cause the HR department to face diminished support from both line and top management which, as previously discussed, is essential for the smooth
implementation and management of the HR function. In addition, decreased financial capacity may hinder Kearys' ability to offer attractive salaries and packages in order to retain and attract difficult-to-source candidates which could in turn exacerbate the skills shortage within the organization. Additionally, decreased financial capability could result in the organization introducing wage freezes, wage cuts, the elimination or reduction of bonus and commission structures and redundancies. Not only would these actions result in increased administration and work for an already strained HR department, they could also result in the HR department being viewed less favourably across the organization thereby losing employee buy-in and support which is, as already outlined, essential for the successful implementation and management of a HR department.

Finally, respondents noted that the recession of 2008 caused widespread redundancies and wage cuts across the motor industry. As a result, many skilled workers emigrated and have not yet returned to the Irish labour market (IR5). This has in turn exacerbated the previously discussed skills shortage within the labour market brought about by technological advancements. As already mentioned, this skills shortage will have an impact upon the sourcing and recruitment function of the HR department as well as increase pressure to reduce turnover levels. As a result, the workload of the HR department will increase making it more difficult to reach departmental objectives, justify costs and ultimately maintain employee, line management and top management buy-in and support. Furthermore, given the impact the economy has had on both the skills shortage within the motor industry as well as an organization's financial capability to attract and retain skills employees, it is once again apparent that external environmental factors are inextricably linked.

4.5.4 Environmental Factors

Whether environmental factors capable of influencing the implementation and management of a HR department currently exist within the motor industry was another question posed to the respondents. All 10 of the internal respondents and one of the external respondents stated that the increased pressure experienced by the motor industry to become 'greener' and more environmentally friendly has caused the race to zero emissions and the development of electric and hybrid vehicles. A number of respondents made reference to the 'Volkswagen scandal' as an example of the increased scrutiny the industry has come under in recent years. Explaining the 'Volkswagen scandal' in more detail, IR1 stated that:
[Volkswagen] put cheat devices in all of their diesel cars so that the car knows when it is being tested for an emissions test so it puts out a different emission when it is being tested to when it is being driven on the roads.

A number of respondents also made reference to the fact that the pressure to be more environmentally friendly is being driven by the EU and the Kyoto protocol (IR1, IR9, IR8) as well as the need for Ireland to *keep up* with other European cities, such as Amsterdam and Paris, who are aiming to ban diesel cars by 2022 (IR6). As a result, the value of diesel cars will plummet and essentially become *worthless* (IR2). The motor industry therefore, is facing huge changes within the next few years (IR2, IR7).

It can be argued therefore, that the increased pressure to become *greener* and more environmentally friendly has caused the motor industry to focus on developing technologies to achieve these *greener* goals. In turn, these technological advances have caused the skills gap within the labour market, as previously outlined. This again highlights the increased pressure upon the HR department to attract and retain adequately skilled individuals as well as the notion that all external environmental factors are in some way linked. It is also interesting to note that, while respondents were able to offer some predictions in relation to the changes these environmental factors will have on the industry, a couple of respondents suggested that there is also an element of having to *wait and see* what changes these factors will bring. This suggests that there is an element of unpredictability and the unknown in relation to the environmental factors existing within the motor industry. It would therefore, be prudent for the Group HR Executive to continue to monitor changes within the environmental landscape in an attempt to forecast its influence upon the industry in general and also on the operation of the HR department within Kearys.

4.5.5 Political Factors

Respondents were asked to consider the existence of political factors within the motor industry having an impact upon the implementation and management of the HR function. All 12 respondents, both internal and external, confirmed that they did believe political factors existed within the motor industry which have the potential to impact on the HR function of Kearys. Seven of the 10 internal respondents as well as both of the external respondents, cited the
uncertainty within the market caused by Brexit as one of the biggest political factors currently affecting the motor industry. Illustrating this uncertainty, IR3 noted that:

*I don't know how bad Brexit is going to affect us. If we listen to scaremongering then you could pick any one of four or five bad things that are going to happen.*

Similarly, IR2 noted that Brexit has ‘created uncertainty in the market’ while IR7 noted that:

*For the first few months after Brexit, it had a massive impact on our business. A lot of our used cars are based on sterling priced in the UK and when there is uncertainty within the UK market it definitely has an impact on us.*

IR5 further noted that Brexit has already had a negative impact on the organization as prior to Brexit Kearys BMW had planned to more than double the workshop but once Brexit happened there was ‘an overnight complete change in the landscape’. Moreover, three of the 10 internal respondents stated that the appointment of Donald Trump as President of the United States of America had also contributed to the uncertainty within the market. Illustrating this point further, IR2 noted that:

*Between Trump and the other clowns in England, they are having a huge effect, which is creating doubt and uncertainty in the market which is in turn having an economic knock on effect.*

The increased caution within the marketplace caused by the 2008 recession has clearly been exacerbated by the uncertainty caused by both Brexit and the appointment of Donald Trump. As previously outlined, the reluctance to spend money within the industry could lead to diminished financial capability within the organization and as a result increased pressure upon departments within the organization, including the HR department, to operate efficiently and reduce costs where possible. As previously discussed, reduced financial resources will make it more difficult for the HR department to attract and retain already difficult-to-source individuals which could ultimately jeopardise the effective performance of the HR department and the support and trust it has worked so hard to gain. While it is near impossible to predict all of the consequences that Brexit and Donald Trump will have on the motor industry, Kearys and the
HR department, it is critical to understand as much as possible the potential impact so that contingency strategies are developed accordingly.

In addition, four of the 10 internal respondents stated that the government is having an effect on the motor industry due to tax changes and the introduction of scrapping schemes. Explaining how tax changes affected the motor industry, IR1 stated that:

In 2008, most dealerships in the country went out of business and most of them now suffer because the Green Party at the time decided they were going to change the vehicle registration tax based on emissions. So all the new cars were fine, they all came out in accordance with new emissions laws and the prices didn't drop. But the used cars, their value dropped overnight so dealers lost millions and a lot of them went out of business.

Given the catastrophic impact these tax changes had, the government's power and influence over the motor industry is undeniable. While it may be difficult to forecast and predict all of the government's future moves, it is again imperative to closely monitor any potential government initiatives that could affect the motor industry. Again it is interesting to note that external factors do not operate in isolation from each other. Here we can see that both economic factors and political factors exacerbated one another and ultimately created a marketplace plagued with uncertainty and a pronounced reluctance to spend money. The HR function must therefore, monitor and study the external environment as a whole and not as individual segments.

4.5.6 Legal Factors

Respondents were questioned regarding legal factors and whether they believe there are any within the motor industry which could affect the implementation and management of a HR department. Seven of the 10 internal respondents and both of the external respondents stated that they did believe there were legal issues currently having an impact within the motor industry. Interestingly, however, when asked to elaborate on what these legal factors were, three of the seven internal respondents were unable to do so, while four of the seven internal respondents were able to provide examples. Two of these seven internal respondents listed
proposed changes to the Consumer Protection Act 2007 as potentially have a huge impact on the motor industry once introduced. Describing the effect of this Bill, IR5 noted that:

*We’re about to pass a Bill where after three attempts of fixing a car, customers can bring a car back at full refund. So that’s huge, and that’s new and used [cars]. If you cannot fix a car, you have to give a full refund up to 6 months.*

Similarly, IR6 noted that:

*Yes, it got interesting this year. There are new laws in there where people are allowed to hand their cars back for pretty much no reason whatsoever. It’s going to be very very interesting.*

One of the internal respondents listed the Data Protection (Amendment) Act 2003 as continuing to have a huge impact upon the motor industry. Describing this impact further, IR1 states that:

*The big thing for us is the Data Protection Act. We have to be extremely careful with what we do with people’s data. Going back to a HR perspective, we don’t educate our staff on what the ramifications on breaking the act are, and they can be huge.*

Furthermore, IR8 noted that increased law enforcement in relation to speeding and road taxes may make powerful cars with large engines less appealing given that ‘you can only drive 120 km/h max’ and pay considerably higher motor tax rates. This could potentially result in a decrease in sales of bigger vehicles and encourage the sale of smaller vehicles. In addition, three of the 10 respondents stated that they did not believe there were any legal factors within the motor industry which could impact upon the implementation and management of a HR function.

Clearly, both the above mentioned Consumer Act and Data Protection Act could have significant implications for the motor industry and an organization in breach of these laws. It is therefore, surprising that only three of the 10 internal respondents appear to be even aware of their existence or to at least factor them into their daily operations. This suggests a serious lack of shared knowledge across the Kearys organization. This could be caused by an unwillingness to share knowledge as a result of the earlier mentioned divide within the Group,
the lack of a robust internal communication system within the organization or a combination of both. This lack of shared knowledge within the organization could also be exacerbated by the previously suggested lack of shared knowledge across the industry as a whole due to its competitive culture. It is suggested therefore, that the Group HR Executive works with and utilizes the knowledge of the management team and develops an internal training and knowledge sharing platform in order to protect the organization from such legal ramifications.

While both external respondents listed the abundance of employment legislation and the requirement for employers to comply with same, as one of the biggest legal factors affecting the motor industry and as a result the implementation and management of a HR department, not one internal respondent made any reference to it. This is made more interesting given that five of the 10 internal respondents listed the risks associated with non-compliance with employment legislation as one of the main driving factors behind the appointment of the Group HR Executive and the establishment of the HR department. This strengthens the argument that there is a lack of understanding in relation to the purpose and importance of the HR department. It also suggests that management within Kearys to do not fully understand or appreciate the importance of employment legislation compliance and as a result, may not alert or communicate issues to the HR department that could potentially see the organization in breach of such legislation.

4.5.7 Ethical Factors

The final question in this section asked respondents whether they believe the motor industry to be an ethical industry and how this could impact upon the implementation and management of the HR function. Five of the 10 internal respondents and one of the external respondents stated that they did believe it was an ethical industry and that ethical factors therefore, had a limited impact upon the industry and as a result, the HR department. Three of the 10 internal respondents stated that while the motor industry had a history or reputation for being unethical in the past, recent years has seen the industry breaking down this stereotype and becoming increasingly ethical. Furthermore, these respondents suggested that the bigger the dealership is, the more visible it is to the public and as a result, the more ethical it must appear. Elaborating upon this point further, IR2 noted that:
I think Kearys, we are too big and too much in the public eye. I don't think there is any underhanded stuff going on when it comes to not getting cars ready, stocking cars, damaged cars. We are too visible.

In contrast, respondents suggested that smaller garages and dealerships continued to sully the reputation of the industry as they do not operate as ethically as bigger, more visible dealerships. Illustrating this point further, IR7 states that:

*I feel in the bigger dealerships there would be a strong code of ethics. There may be a perception then of the smaller Fred-in-the-Shed type of operations that their code of ethics may not be as strong.*

Interestingly, the ethical perception of the organization appears to be in some ways linked to the size of the organization. It is suggested therefore, that as the size of the organization increases, so too does its visibility and the need to appear transparent and ethical. As Kearys have plans to expand even further in the coming months, it is important that the HR department remains cognisant of the organization's increasing visibility and the affect this may have on how it is perceived. It could be further argued that whether the organization is perceived as ethical or not may also have an impact on the appeal of the organization and its ability to attract top talent thereby affecting the recruitment activities of the HR department. The ability to attract top talent is particularly important given the previously outlined skills shortage which currently exists within the motor industry. This further strengthens the argument that external factors will often influence, and in many cases, exacerbate one another.

In addition, two of the 10 internal respondents and one of the external respondents stated that they did not believe the motor industry was an ethical industry. It is also interesting to note that whether the respondents believed the motor industry to be ethical or unethical, five of the respondents linked the ethical perception of an organization to the employees within the organization. IR2 noted that:

*To be fair there is nothing underhanded going on. And if something does happen then it is down to the employee doing something and not Kearys.*

Similarly, IR5 states that:
It goes back to the individual as well. If I had no ethics, that's going to transcend into any decisions or issues. So, it is important that we are quite ethical people.

It could be argued therefore, that the ethical perception of an organization will be considerably influenced by the actions and behaviours of its employees. This in turn, will have a significant impact on the sourcing and recruitment activities of the HR department which must ensure that the values, morals and ethics of the talent entering the organization reflect those of the organization. It is also interesting to note that within the external environment, the area of ethics has been the most divisive among the respondents, both internal and external. This suggests that the area of ethics is highly subjective and will vary widely across industries and organizations. It also suggests that ethical codes are highly individual and will vary across each individual employee.

4.6 The HR Department: Implementation and Future Recommendations Offered by Respondents

With regard to the implementation and future development of a HR department within Kearys, respondents were asked to outline what steps they would take if they were tasked with setting up a HR department. Respondents were also asked to contribute any recommendations they have for the new HR department of Kearys in order to improve and operate for effectively.

Seven of the 10 internal respondents and both of the external respondents stated that they would review what was currently in place within the organization and build up the department from there. On this note, IR1 commented:

*I would want to know what we are doing already. Are we treating [employees] right? Do we pay [employees] enough so that they can have a family and a mortgage?*

Similarly, IR3 stated that he would want to know the current situation, the areas needing improvement and what initiatives could be implemented to facilitate this improvement while IR7 noted that he would want to gain an understanding of the key HR initiatives the organization would like to have in place but currently don't.
Current literature is somewhat divided on the importance of conducting a HR audit or assessment. While it is recommended by both the SHRM (2015) and Heathfield (2016), neither Laird (2016) nor RecruiterBox (2013) make any such reference. In contrast, the respondents in this instance place more emphasis on the importance of this step during the implementation of the HR department. This suggests that while there was no dedicated HR department operating within Kearys prior to February 2016, decentralised HR activities were being conducted on an ad hoc basis by different managers across the organization. The decentralised nature of the HR activities may therefore, make it more difficult for the Group HR Executive to conduct a full and accurate assessment of current HR activities and to identify areas for improvement. This will in turn, make it more difficult for the developing HR department to determine its key functions and communicate them across the organization in order to manage employee and line management expectations and ultimately acquire and maintain their buy-in and support. It also further illustrates the importance of effective communication and feedback between line management and the HR department from the very beginning of the implementation process.

It is also interesting to note that when describing their desire to conduct an assessment of current HR practices within the organization and to identify areas for improvement, many of the seven internal respondents listed employee welfare as the motivation behind this desire. Other than believing that the HR department should represent both management and employees, employee welfare and well-being has not been identified as a key consideration of line management until now. This suggests that it is only when they are challenged to imagine personally implementing the new HR department within Kearys, do line management give due consideration to the needs of employees. This once again illustrates a lack of understanding in relation to the role and functions of the HR department and highlights the importance of managing line management expectations through effective communication.

In addition, four of the 10 internal respondents noted the importance of appointing the right HR professional with the requisite knowledge, experience and skills capable of implementing a HR department from scratch. They also suggested that clearly determining the structure of the HR department and outlining its duties and responsibilities from the beginning would be critical. Illustrating this point further, IR1 noted that he would worry about hiring the right person and whether they would be too 'pro the staff or too pro the management.' Similarly, IR4 and IR7 both stated that having the right HR professional in place would be important. Furthermore, three of the 10 internal respondents stated that appointing the right amount of HR
professionals to be able to reasonably achieve the setting up of the HR department would be important. Illustrating this point further, IR2 noted that:

*I wouldn't want to be on my own anyway. I would ask for help. Straight away. Someone to work with.*

This again highlights the importance of organizational size and the influence it can have on the structure of the HR department. It suggests that the bigger the organization, the more HR professionals are required to successfully implement and manage a HR department. Interestingly, current literature does not make any reference to the importance of ensuring a HR professional tasked with implementing a HR department possesses the requisite knowledge, skills and experience to do so. Perhaps there is an assumption by current literature that an effective HR professional will always be in place and as such is not an important consideration. In this instance, however, respondents suggest that failure to employ the right HR professional will ultimately ensure the failure of the HR department.

Three of the 10 internal respondents stated that getting to know the employees, what their current issues and complaints are and ultimately what they need and want would be a critical step in the implementation of the HR department. Heathfield (2016) also suggests that this is an important step during the implementation of a HR department. This task will be difficult to achieve however, due to a number of previously mentioned factors such as the size of the organization, the lack of resources available to the HR department, the multi-location structure of the organization and the resulting divide amongst employees and departments and the lack of an efficient internal communication structure. It is also surprising that only three of the 10 internal respondents listed this as an important step in the implementation process considering all 10 internal respondents believe that the HR department should represent both employees and management and five of the 10 internal respondents stated that gaining employee buy-in would be one of the biggest challenges faced during the implementation process. This appears to again highlight the level of misunderstanding amongst the respondents in relation to the role of the newly created HR department. It also suggests that while the respondents have ideas as to what a HR department should in theory be doing, they have little appreciation or understanding of the practicalities of implementing and managing such functions. This strengthens the importance of ensuring that line management fully understand the functions of
the HR department in order to manage their expectations and ultimately gain their support and buy-in.

A further two of the 10 internal respondents, IR9 and IR8, suggested that ensuring the HR department is afforded the requisite power and autonomy to achieve its objectives would be a critical step in the implementation of the HR department. It is arguable however, that the HR department will only truly receive power and autonomy once it has proven itself in the eyes of senior management. This supports the argument that gaining and maintaining top management support and buy-in is critical for the successful implementation and management of a HR department.

Further suggested steps listed by individual respondents included understanding the reasons behind why the decision was made to appoint a Group HR Executive and establish a HR department, reviewing physical work spaces to ensure compliance with health and safety regulations, setting up an internal employee helpline service, implementing group wide policies to ensure fair and equal treatment for all employees within the organization, reviewing what other successful organizations within the industry are doing, understanding manager’s expectations of the HR department, developing a 5 year plan for the HR department, understanding the culture of the organization and understanding the business strategy of the organization.

It is interesting to note that none of the internal respondents made reference to any specific documentation or policies which should be implemented by the HR department as suggested by RecruiterBox (2013), Laird (2016) and the SHRM (2015). In contrast to the internal respondents, both external respondents noted that getting the ‘basics’; for example, contracts of employment, employee handbooks, offer letters, systems and processes, in place would be an essential step during the implementation process. In addition, none of the internal respondents made any reference to the need to develop a HR budget as suggested by both Heathfield (2016) and SHRM (2015) as well as ER2.

Considering all of the internal respondents agreed that gaining both line and top management buy-in and support would be essential for the successful implementation and management of a HR department, it is surprising that none of the internal respondents listed this as an essential step in the implementation process. In contrast, both external respondents suggested that
building up the integrity of the HR department in order to gain both line and top management support would be an essential step during the implementation process. Both external respondents however, do not outline or give any indication as to how a HR department should go about building up this integrity. This reflects the previously mentioned deficiency of conclusive guidelines and practical advice available within current literature in relation to how to set up a HR department.

Furthermore, it is also interesting to note the answers offered by respondents varied dramatically in relation to certainty, clarity and detail. Perhaps this is explained by the fact that the majority, if not all of the respondents, do not fully understand the purpose of the HR department or the duties it should be responsible for, as previously outlined. Without this understanding, it is almost impossible for them to offer detailed, practical advice in relation to implementing a HR department. This again strengthens the argument that current literature fails to provide a practical, detailed step by step guide to implementing a HR department but instead merely offers a theoretical overview.

The final question asked respondents to outline any suggestions or recommendations they have for the current HR department of Kearys. Seven of the 10 internal respondents advised that the current HR department in Kearys needs to employ another HR professional as they do not believe one Group HR Executive is enough for an organization the size of Kearys. Elaborating on this point, IR10 stated that:

I think you probably need more staff to assist you and I believe that one person for 300 people is too much. In all honesty, it is a lot of responsibility.

Similarly, IR8 noted that:

The HR department is probably so understaffed that they are not actually running the HR department as a HR department should be run because it is so small.

Likewise, both IR4 and IR2 advised that the HR department needs additional help in order to carry out its responsibilities. Considering eight of the 10 internal respondents previously stated that they believed the HR department had not been given enough resources i.e. staff to achieve its objectives, this suggestion is hardly surprising. Instead, it strengthens the argument that
considering the size of the organization, the current HR department of Kearys is understaffed. It is therefore, advisable that the current Group HR Executive develops and submits a business case to the Managing Director with the aim of ultimately employing at least one additional HR professional.

In addition, three of the 10 internal respondents suggested that the Group HR Executive needs to meet with employees on a more regular basis. While these respondents accepted that this would be difficult for the Group HR Executive to do alone considering the number of employees within the organization, they also believe it is necessary in order to better understand and address the needs of employees in order to ultimately make them happy (IR10; IR8; IR6). Furthermore, two of the 10 internal respondents suggested that the HR department needed to place more of an emphasis on health and safety compliance and ensuring overall employee welfare (IR8; IR3). This is somewhat surprising considering overall employee well-being has been largely ignored by the respondents during other areas of questioning including the reasons behind why the HR department was originally established, the impact the HR department has had to date as well as what the responsibilities of the HR department should be. In particular, only one internal respondent stated that the HR department should be responsible for employee welfare, yet three of the internal respondents in this instance believe the HR department should be meeting with employees on a more regular basis. This suggests that management’s understanding and expectations of the HR department are fundamentally at odds with each other and that they expect the HR department to essentially do the impossible. This strengthens the argument that it is critical for the HR department to first fully explain what the role of the HR department is, in order to manage management’s expectations and ultimately acquire and maintain their support.

Additionally, individual internal respondents suggested that the HR department should exploit the new online HR system more, improve the overall performance management system within the organization, remove payroll from its duties and be more aggressive when advising the Managing Director. Furthermore, both of the external respondents suggested that the Group HR Executive should utilise resources such as IBEC, CIPD, LinkedIn, HR circles, legal consultants and the Group HR Executive’s own network of HR professionals in order to gain as much information and guidance as possible on how to set up a HR department given that current literature does not offer a ‘how to guide’ (ER2).
4.7 Conclusion

This chapter focused on outlining and analysing the results obtained during the in-depth interviews conducted by the researcher. The first questions focused on the driving factors, communication and reaction surrounding the appointment of the Group HR Executive and establishment of the HR department. The respondents’ beliefs in relation to the current HR department and its impact to date, the challenges it faces, what its responsibilities should be and who it should represent were then considered. The respondents’ replies in relation to both the internal and external factors which they believed could have an impact on the implementation and management of the HR department were then analysed. Finally, the respondents’ advice and recommendations in relation to setting up a HR department and improving the HR department currently in operation were considered. The key findings, recommendations for future research and recommendations for practice which have been developed from the analysis discussed in this chapter are considered in the following chapter, Chapter 5, before the study’s limitations and overall conclusion are outlined.
Chapter 5: Conclusion
Chapter 5. Conclusion

5.1 Introduction

In this chapter, the key findings identified through the analysis of the in-depth interview results and the limitations of this research are considered. The researcher's proposed model and guidelines on how to implement a new HR department within an established organization are then outlined. Finally, recommendations for both practice and future research are identified.

5.2 Key Findings

Through the detailed analysis of the in-depth interview results several key findings emerged. Analysis unequivocally demonstrated that both the internal and external environments in which Kearys operates will have a significant impact on the implementation and management of the new HR department. It was further highlighted that factors within both the internal and external environments are often entwined with the ability to affect, exacerbate and even create one another. Within the internal environment, for example, issues with communication resulting primarily from the size of the organization were aggravated by the multi-location structure of the organization. Additionally, issues caused by the perceived inequality and hostility between employees of different locations and brands were worsened by internal communication issues.

Within the external environment, pressure to operate in an increasingly environmentally friendly capacity and reduce carbon emissions has acted as the impetus for technological advances within electric and hybrid vehicles. In turn, these technological advances have influenced and essentially complicated the skill set required of mechanics within the labour pool. The current availability of such skills, however, has been negatively affected by the economic conditions of 2008 which forced large numbers of skilled mechanics to emigrate in search of work, many of whom have not yet returned to Ireland. Internal and external factors should not therefore, be studied in isolation of each other but considered as a fluid, dynamic whole with the potential to impact Kearys, the motor industry and each another.

While a range of both internal and external factors with the potential to impact the establishment and operation of the HR department within Kearys were identified through the
analysis of the in-depth interview results, the importance of employee, line management and
top management buy-in and support was also repeatedly and consistently highlighted as
essential for the successful implementation and management of a new HR department within
Kearys. While current literature does not appear to place as much emphasis on the importance
of employee buy-in and support as line management and top management buy-in and support,
respondents in this instance placed equal weight upon all three of these factors. Respondents
listed the necessity for employee, line management and top management buy-in and support as
some of the biggest obstacles facing the successful implementation and management of the
new HR department within Kearys. Furthermore, respondents suggested that the HR
department should represent both employees and management so that it is perceived as equal
and fair across the organization to ultimately encourage employee and management
commitment. Respondents further recommended the new HR department spend more time
understanding and accommodating employee needs and suggested they would focus on first
understanding the treatment of employees in order to identify areas for improvement should
they be tasked with setting up a new HR department. Finally, respondents unanimously agreed
that without line management and top management buy-in and support, the successful
implementation and management of a new HR department within Kearys would be impossible.

Attaining employee, line management and top management support and buy-in is complicated
by the emergence of a further key finding; the widespread misunderstanding and contradictory
expectations of management in relation to the role and functions of the HR department. This
lack of awareness and understanding has been continually highlighted during the findings and
analysis of the in-depth interview results where respondents have repeatedly offered
inconsistent statements in relation to the responsibilities and functions of the HR department.
Internal respondents listed largely administrative, short term reasons which focused primarily
on management needs rather than employee needs as the main driving factors behind the
decision to appoint a Group HR Executive and establish a HR department within Kearys.
Furthermore, internal respondents failed to recognise the ability of the HR department to
contribute to the achievement of overall organization strategy and objectives. Moreover, while
employee well-being was largely ignored by internal respondents when questioned in relation
to the decision to establish a HR department, contradictorily gaining and maintaining employee
buy-in and support was listed as one of the biggest factors with the potential to hinder the
successful implementation and management of the HR department within Kearys, as
previously outlined. Similarly, only one internal respondent listed employee well-being as a
function of the HR department but conflictingly three internal respondents recommended the HR department spend more time with employees to better understand and meet their needs and desires while all internal respondents believe that the HR department should represent both employees and management.

Additionally, internal respondents stated a resistance to change as a key challenge facing the HR department yet did not list change management as a function of the HR department. The broadness and variety of the responsibilities of the HR department as per internal respondents further showcases the lack of understanding within Kearys in relation to the purpose and function of the HR department. Finally, while the expectation of line management is for the HR department to operate to satisfy the needs of management over the needs of employees, the majority of respondents expressed a desire to ensure employee well-being and review areas of improvement should they be personally tasked with implementing a HR department within Kearys.

A further key finding related to the importance of effective, frequent and consistent communication, and was repeatedly highlighted by respondents during the in-depth interviews. For those respondents who did not have the decision to establish a HR department communicated to them at the time, the lack of an efficient internal communication system, exacerbated by the size of the organization, was highlighted as the cause. Furthermore, respondents listed the lack of an effective internal communication system as one of the biggest challenges affecting the implementation and management of the new HR department. While respondents acknowledged that they did not expect to be involved in all decisions made across the organization, they did express a desire to receive frequent, consistent communication in relation to such decisions. It was also noted by respondents that the lack of a sufficient internal communication system did not only represent an issue in itself but could also exacerbate other internal issues, for example, issues of hostility between employees caused by the multi-location structure of the organization. Respondents also suggested that regular, timely communication with employees and line management would be essential to gain and maintain their buy-in and support for the new HR department. Considering well established departments within Kearys are currently suffering from issues caused by the lack of an internal communication system, it is reasonable to surmise that a newly established department will also fall victim to similar issues.
The final key finding of this study illustrates a significant deficit of information and practical guidance available to HR professionals tasked with setting up a HR department from scratch within an established organization. This deficit first became evident through the analysis of current literature. While current literature does attempt to provide some theoretical guidance on how to set up a HR department, it fails to provide a detailed, practical guide on how to achieve the implementation of a new HR department. Granted the implementation process may vary according to the organization, industry and internal and external environment in which the new HR department will be operating. The guidelines offered by current literature however, vary so greatly in content, clarity and detail they are of very little value in reality. The insufficiency of information provided by current literature was also reflected in the in-depth interview results. While respondents, both internal and external, outlined a number of steps to be taken when implementing a new HR department, these steps varied dramatically in depth and precision. Considering the widespread lack of understanding in relation to the role and function of HR, as previously outlined, the inability to offer solid, practical advice for the implementation of a HR department is hardly surprising. It is argued therefore, that without a clear understanding of what the role of the HR department is or should be within a particular organization, it is impossible to offer succinct, practical advice on how to go about implementing said HR department. In addition to the above key findings, a set of guidelines for setting up a new HR department as well as a HR Department Implementation Process Model were developed.

5.3 Guidelines for Setting up a HR Department

Based on the findings of this study, it is proposed that six key stages exist within the implementation process of a new HR department. These six stages are illustrated in Figure 5.1. HR Department Implementation Process Model. While the six stages follow a loose chronological order, it is important to note that some of these stages may overlap or happen simultaneously. In addition to the six key phases of the implementation process, Figure 5.1 also illustrates the importance of communication throughout all six phases. Furthermore, the researcher fully accepts that these guidelines have been based on research conducted in Kearys and thus may need to be adapted accordingly for new HR departments within other organizations. It is, however, suggested that these recommendations will offer some practical guidance to those tasked with setting up a new HR department, regardless of organization or industry.
The first stage in the implementation process is referred to as the Diagnose and Assess stage. During this phase, it is recommended that the individual/s tasked with implementing the new HR department first meets with top management to understand the driving factors behind the decision to establish a HR department, overall business objectives and how the HR department can help to achieve them as well as any internal and external factors which may impact the successful implementation and management of the new HR department. It is further recommended that the new HR department meet with both employees and line management to ascertain their concerns, needs and expectations as well as continuing to learn about the potential internal and external factors which may affect the establishment and operation of the new HR department. It is believed that by meeting with employee, line management and top management to gain a better understanding of their expectations for the new HR department, the HR department will be able to better manage their expectations and ultimately acquire and maintain their buy-in and support. Finally, it is recommended that a full audit of the current HR processes, if any, in place is conducted to determine areas for improvement and establish a baseline from which further work can be carried out.

Structuring the HR department makes up the second stage of the implementation process. The first recommended step is to meet with top management to agree upon the objectives and functions of the new HR department taking all the information acquired during the observing and assessing phase into account. Next it is recommended that a 12 month, two-year and/or five-year plan for the HR department is developed in order to outline a realistic timeline for the achievement of the agreed objectives. This will provide the new HR department with clarity, focus and direction and ultimately assist in the achievement of departmental objectives as well as the acquisition and maintenance of top management support and commitment. The size and structure of the HR department should also be considered during the second phase of implementation. Staffing levels within the HR department should be developed and monitored in line with the size of the organization and should be sufficient for the achievement of the agreed departmental goals. As the size of the organization increases, so too do the responsibilities and workload of the HR department. As such, it may be necessary for the HR department to create and present a business case to top management for the hire of an additional HR professional. Without appropriate staffing within the HR department, it will be unable to meet its objectives, justify its costs and ultimately acquire and maintain employee, line management and top management support and buy-in. Finally, it is recommended that the HR
department creates a departmental budget in conjunction with top management to better understand the cost the department incurs upon the organization. Showcasing the value of the HR department and how this outweighs such cost will ensure top management’s continued buy-in and support.

The next stage of the implementation process, Educate and Manage Expectations, concerns educating employees and line management regarding the role and function of the HR department. It is critical that the HR department clearly communicates the role and functions of the HR department as agreed with top management across the organization. The HR department should therefore, ensure an effective, robust and consistent internal communication strategy and shared knowledge platform is introduced to the organization to capitalise on employee and line management desire to receive frequent, consistent communication. Failure to do so, will leave the HR department unable to effectively manage the expectations of employees and line management and ultimately acquire and maintain their buy-in and support. An effective internal communication system should also be supplemented by conducting onsite HR clinics in each location within the organization. It is recommended that face to face interaction will help the HR department to build strong relationships with employees and line managers thereby strengthening the integrity and trustworthiness of the HR department.

Administration and ensuring all required documentation and processes are in place makes up the fourth stage of the implementation process. Required documentation and processes include items such as contracts of employment, offer letters, job descriptions, employee handbooks, time and attendance tracking systems etc. Further documentation which may be specific to the requirements of the industry or organization should also be put in place, for example, copies of driving licenses, penalty point declaration forms etc. It is also recommended that procedures/checklists are developed and implemented to ensure that all necessary documentation and paperwork is automatically collected and filed accordingly going forward. The purpose of this stage of the implementation process is to ensure that all the basics of employment legislation requirements are covered before more strategic objectives are pursued.
Figure 5.1 HR Department Implementation Process Model

- **Diagnose and Assess**
  - Establish:
    - The reasons behind the decision to establish a HR department.
    - Overall business objectives.
    - Internal and external factors impacting the implementation of the HR department.
    - Employee and line management expectations, concerns and needs.
  - Conduct an assessment of current HR processes, if any, in place and identify areas for improvement.

- **Structure**
  - Agree upon the HR department's:
    - Key activities.
    - 12 month, 2 year and/or 5 year plan.
    - Required size and structure to ensure departmental objectives can be reasonably met.
    - Overall departmental budget.

- **Educate and Manage Expectations**
  - Ensure an effective internal communication system is in place.
  - Use the internal communication system to educate employees and line management as to the role and function of the HR department.
  - Utilize effective communication and education to ensure employee and line management buy-in and support for the HR department from the beginning of the implementation process.

- **Administration**
  - Ensure all basic and necessary documentation and procedures are in place.
  - Ensure all other organization/industry specific documentation are in place.
  - Implement procedures to ensure these documents are automatically acquired going forward.

- **Strategy**
  - Develop organization mission, mission and business strategy in conjunction with top management, if not already in place, and communicate across the organization.
  - Develop and implement group wide HR strategies.
  - Develop and implement appropriate change management strategies.

- **Review, Evaluate and Justify**
  - Continually monitor, review and evaluate progress to ensure the department is achieving its objectives.
  - Continue to:
    - Highlight the value of the HR department.
    - Regularly meet and communicate with employees and line management.
    - Monitor business objectives and the internal and external environment.
    - Adapt HR strategies accordingly to ensure they remain effective and appropriate.

Source: Study Author (2017)
The fifth phase of the implementation process is referred to as the Strategic phase. It is recommended that the HR department works with top management to create an organizational vision, mission statement and overall business strategy which is then clearly communicated to all employees across the organization in order to encourage clarity, focus and productivity. Next, it is recommended that the HR department develops, introduces and clearly communicates group-wide policies and strategies across the organization to ensure that all employees are treated equally and fairly and that they are aware of this fair and equal treatment. It is critical that these group wide policies and strategies assist in the achievement of overall business strategy as well as account for internal and external factors affecting the implementation and management of the HR department. Furthermore, appropriate change management strategies should be implemented by the HR department to combat any resistance to change which may exist throughout the organization and ultimately ensure the successful implementation of the department.

The final stage of the implementation process is referred to as the Review, Evaluate and Justify stage. Changes and developments to overall business strategy and objectives as well as the internal and external landscape in which the organization operates should be closely monitored so that the HR department can adapt its activities accordingly to meet organizational goals. The HR department should continue to meet and communicate regularly with employees and line management. The HR department should ensure that communication includes positive, not just negative, content in order to maintain the positive perception, support and buy-in of the HR department. Furthermore, the HR department should provide feedback to line managers in relation to their employees' desires and issues (without breaking employee confidence and trust) in order to keep managers in touch with their employees, encourage consistent communication between the HR department and line management as well as showcase the workload and value of the HR department. By continually monitoring, reviewing and evaluating the performance of the HR department, it is suggested that the HR department will meet its objectives, showcase its value to the organization and ultimately justify the costs it incurs upon the organization. This will, in turn, ensure the maintenance of employee, line management and top management support and buy-in.
5.4 Limitations of Research

The amount of time available to complete this study was a significant factor and limitation. Due to time constraints, there were several areas which the researcher was unable to explore to the desired extent. These constraints were exacerbated by the broadness of the research topic.

In addition, only one research tool, in-depth interviews, was utilised by the researcher. Thus, only qualitative and not quantitative research methods were employed throughout the study. The chosen research tool, combined with the previously mentioned time constraints, resulted in it being possible to question a limited number of respondents.

The chosen sample upon which the in-depth interviews were conducted presented a further limitation to the study. All internal respondents were either middle or senior managers within the organization. As a result, the ‘average’ employee within the organization was not represented in the results of the in-depth interviews.

Furthermore, the researcher is currently an employee of the organization in question and has been tasked with the implementation and management of the HR department. It is possible therefore, that the researcher’s own experiences and views affected the researcher’s ability to remain objective when conducting and analysing the results of the in-depth interviews.

Finally, while a lack of previously completed similar studies presented an opportunity for this research to be carried out, it also presented a limitation in that there was no foundation or previous research upon which this study could be based. As a result, the focus of this study may not have been as refined as it could have been.

5.5 Recommendations for Future Research

It is recommended that quantitative research methods are also employed in addition to the in-depth interviews already conducted. Quantitative research methods are recommended to alleviate the subjectivity of the researcher which, as previously outlined, may have been a limitation during this research as a result of the researcher currently being employed by the organization. Furthermore, quantitative research tools such as questionnaires and surveys
should be carried out to counteract the limited number of respondents questioned during the in-depth interviews.

Given that one of the key findings to emerge from this research is that employee buy-in and support is critical for the successful implementation and management of a new HR department and that the in-depth interviews were only conducted on middle and senior management level employees, it is recommended that additional in-depth interviews as well as quantitative research methods are carried out on lower level employees across the organization. Considering the importance of successfully understanding and managing employee expectations in order to ultimately gain employee buy-in and support, examining and analysing the employee perspective would be a valuable exercise in any case.

Due to time constraints, the researcher was unable to pursue several areas of interest during this study. It is therefore, recommended that further research be carried out on the importance of effective communication during the implementation and management of a new HR department as well as on which communication strategies encourage employee, line management and top management buy-in and support. Furthermore, the researcher proposes that the guidelines for setting up a HR department outlined above would benefit from additional input from external HR professionals who have previously implemented a HR department within an already established organization.

Finally, in order to test and ultimately improve the validity and legitimacy of the proposed HR Department Implementation Process Model, a further study where the model is applied during the implementation of a new HR department within another organization would be both fascinating and extremely beneficial.

5.6 Recommendations for Practice

Kearys is not necessarily a unique organization within the motor industry or indeed within a wider business context. It is suggested, therefore, that newly created HR departments within other organizations and industries would benefit from applying the above HR Department Implementation Process Model and should implement the model accordingly. When applying the HR Department Implementation Process Model however, it is also recommended that a
new HR department takes into consideration the particulars of the organization and industry in which the department operates and tailors the model as appropriate. This is particularly true in relation to internal organizational factors and external environmental factors which will vary in accordance with organization and industry. Consequently, it is further recommended that both new and existing HR departments, regardless of industry or organization, continually monitor the ever-changing internal and external landscapes in which they operate to ensure the successful implementation of a new HR department and that HR policies and procedures remain relevant, appropriate and effective.

In addition, the HR Department Implementation Process Model suggests that an effective, robust and consistent internal communication system is essential at all stages of the establishment and management of a HR department. It is recommended therefore, that in order to apply the model with another organization, the HR department must first ensure a sufficient, reliable internal communication system exists within the organization. If such a system does not exist, it is recommended that the HR department ensures one is implemented before attempting to apply the HR Department Implementation Process Model.

As previously mentioned, Kearys is not a unique entity. As such, it is reasonable to suggest that employee, line management and top management support and buy-in will also have a significant impact on new HR departments as well as existing HR departments attempting to introduce new policies and procedures, regardless of organization or industry. It is therefore, recommended that new HR departments, operating within different organizations and industries, understand the barriers to gaining employee, line management and top management buy-in and support and develop and implement appropriate strategies to overcome these obstacles. It is further suggested that existing HR departments assess the current level of employee, line management and top management support and commitment to the HR department to identify areas of improvement and ensure the effective management of the department going forward.

Based on the findings of this research, the role and functions of HR is widely and acutely misunderstood within Kearys. It is likely that this lack of understanding extends to other organizations and industries. If a lack of understanding of the role and function of the HR department exists within other organizations, it is likely to represent one of the biggest obstacles to successfully implementing and managing a HR department within that
organization. It is recommended therefore, that a HR department, regardless of organization or industry, faced with a similar lack of understanding, educates employees and management in relation to the purpose and function of the HR department. Failure to do so will result in failure to manage employee, line management and top management expectations. This will furthermore, result in a failure to gain their buy-in and support which is critical for the successful implementation and management of the HR department.

5.7 Overall Conclusion

Although the concept of Human Resource Management originated in the 19th century and is, as such, not a new concept, it is still profoundly misunderstood. HR departments are very often seen as non-productive and cost incurring with little appreciation given to the benefit and value the department can provide to the organization. Implementing any new process or department within an established organization will present its own challenges. Within the HR profession however, these challenges are further complicated by the constant need for cost justification and the relentless battle for employee, line management and top management buy-in and support. Undoubtedly, the HR profession faces an uphill battle in relation to building appreciation and understanding for the modern HR department. While the HR department is often considered responsible for allowing the employee voice to be heard, it is critical that the HR department champions its own voice and value in order to build the respect, appreciation and acknowledgement it deserves.

Furthermore, the deficit of information and guidance in relation to setting up a HR department within an established organization is significant. New HR departments have little or no foundation upon which to base their implementation efforts. Creating a set of guidelines for the implementation of a new HR department, however, is problematic given that both internal and external environmental factors can have a significant impact upon the implementation and management of a new HR function and will vary according to organization and industry. It is proposed, however, that the HR Department Implementation Process Model outlined in this chapter, represents a positive and beneficial development in providing a set of practical guidelines for the implementation and management of a new HR department within an established organization. It provides the previously missing foundation upon which new and developing HR departments can base their implementation efforts as well as outlining the key ingredients required for the successful establishment and management of a new HR function.
It is ultimately however, the responsibility of a new HR department, to recognise and consider the guiding principles of the HR Department Implementation Process Model, adapt them to their own organization and industry and ultimately ensure the successful implementation and management of an effective, valuable HR department. It is only through the establishment, recognition and championing of effective, valuable HR departments, that the integrity and credibility of the HR profession can be supported and protected.
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