



Research methods for the empirical study of strategic human resource management

Research
methods for
strategic HRM

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Abstract

Purpose – The purpose of this article is to discuss the methodological choices for a study of human resource management strategy implementation.

Design/methodology/approach – The methodology examines the matching and Harvard approaches to human resource management research which are prevalent in the field. This is achieved by a two-stage methodology. First, a descriptive, quantitative survey methodology is employed to establish the extent to which strategic planning occurs in a rational way. Second, a qualitative, case study methodology examines the reasons behind the strategic choices made.

Findings – Limited evidence of formal planning, in line with the matching approach was found, particularly around the organisation's choice of human resource policies. Instead policies were determined by influences suggested in the Harvard approach, including stakeholders, organisation culture and power. The combined approach of quantitative and qualitative research offers a more balanced explanation than the previous independent research undertaken in the field.

Research limitations/implications – Limitations to the research included the difficulty in accessing commercially sensitive data on strategy planning. The study was limited to only six industries, thus making generalisability difficult. Perceptual measures were used, increasing the risk of respondent bias. Further research to extend the range of industries studied, longitudinal research and the use of objective data would be of benefit.

Originality/values – The paper is of value to academics wishing to consider the relevance of methodologies for research into the strategic planning process.

Keywords Research methods, Human resource management, Strategic alignment, Corporate strategy

Paper type Research paper

Introduction to the research area

Marketing strategies, like all other areas of the business, can be improved by formal planning procedures. However, the implementation of these plans may be affected by a wide range of factors, in particular the people involved in the process. An understanding of the likely impact of these factors on the organisation's ability to implement intended marketing strategies is crucial. Brennan *et al.* (2008, p. 11) comment:

[...] there is no point in setting objectives and devising strategies that are unconnected to the realities of the business environment, nor is there any point in pursuing strategies that cannot be implemented using the available resources.

This paper describes a study of strategic alignment within human resource management (HRM). Its findings are relevant to all business functions, including marketing, which operate within a strategic framework.



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Recent years have seen the emergence of strategic HRM as an approach to linking HRM practices to wider corporate objectives and market characteristics. HRM is seen to be part of a top down strategic initiative directed at achieving a firm's overall policy and strategy choices and there is an increasing body of literature examining these issues (Millmore, 2007; Schuler and Jackson, 2007; Armstrong, 2006). The links between the market characteristics of an organisation, its business strategies, and the use of HRM policies are the central feature of HRM. However, whilst the theory recognises the need for these links (Schuler and Jackson, 2007; Wang and Shyu, 2008) the exact nature of the relationship between them has been the cause of considerable debate.

There are two approaches to empirical studies on strategic HRM which have emerged and are still central to HRM research today: the matching (Fombrun *et al.*, 1984) and the Harvard (Beer *et al.*, 1985) approaches. Both examine the relationship between market characteristics, business strategies and human resource policies, but the general approach of the models is very different. The matching approach argues for a 'tight fit' between business strategy and HRM, and the need to link this to an organisation's markets in a rational way. This HRM literature is embedded in the strategic corporate planning paradigm. Akin to work by strategy writers such as Skinner (1969), Hill (1985) and Porter (1985) it views strategy making as a linear, sequential planning process where HRM policies become part of the overall plan, and can be adhered to accordingly. This research stream has a tendency to be quite prescriptive, explaining what should be done or should happen. Very little explanation of the process, what actually happens or why it happens is provided in this research. The Harvard approach suggests that the simple matching relationship cannot be taken for granted because strategy cannot always be planned for. Again, this idea has its roots in the corporate strategy literature. For example, Mintzberg (1978) argued that strategy might come about because of organisational culture, management styles or values. Mintzberg and Lampel (1999) suggest that there is often a formal intended strategy and also an emergent one that comes about on an informal basis. In recent years the idea that HRM policies may also be emergent or arise because of other factors than formal planning mechanisms has gained more currency. The nature of how and why HRM strategies are actually chosen within organisations has started to be tested (Wang and Zang, 2005; Haunschild, 2003; Marginson *et al.*, 1988). To date empirical research – which integrates both research streams to try and gain a fuller picture of strategic HRM – has been limited, as they tend to be studied in isolation (Zheng, 2007; Mayrhofer *et al.*, 2000; Kochan *et al.*, 1984).

Methodological choices of previous empirical research

Much of the empirical work on strategic HRM has tended to use either survey approaches or comparative (usually qualitative) case study research. Examples of the use of survey approaches which incorporate large-scale gathering of evidence using statistical analysis include Gowen *et al.* (2006); Teo (2005); and Karami *et al.* (2004). These studies all seek information from senior staff within the organisation, eliciting their views on various elements of strategic HRM, such as quality, performance, and stakeholders. All of these studies seek factual, objective information, which is extremely useful in strategy research, particularly if examining integration of policies

with corporate or business strategies. For example Karami *et al.* (2004) considers the relationship between strategic management and employee relations in the electronic manufacturing industry. This kind of descriptive information tends to be measurable through survey research. As Flynn *et al.* (1997) argued investigations of strategy content lend themselves well to survey data. There is though, inherent in strategy research using survey data, a reliance on perceptual answers. This has the benefit of allowing openness in the question procedure. It does however open up the possibility of answers which are either political or subjective because of the reliance on interpretations of events by individuals (Easterby-Smith *et al.*, 1991). Objective observations do though lend themselves well to perceptual data collection approaches when the respondents are at the appropriate level in the organisation (Ketokivi and Schroeder, 2004).

Empirical research which uses comparative, qualitative case study approaches includes Haunschild (2003); Buyens and DeVos (2001); and Wong (2001). This strategy is considered useful when existing theory is underdeveloped and requires analysis (Eisenhardt, 1989). The approach often uses several sources of data, including interviews of staff at different levels within the organisation, focus groups and company data to increase validity via triangulation and gain depth of understanding. Buyens and DeVos (2001) for example, considered the role of value in the HRM function and discuss the need to obtain a better understanding of this concept. Wong (2001) investigated contingent employment in Asian countries, highlighting that research had previously only taken place in European countries. In all cases, due to the underdeveloped nature of previous research, representation was not important, but rather their ability to explain complex phenomenon. For example, Haunschild (2003) examines staff in theatres to gain information on the interplay between the market, the organisation and its workers by investigating workers' views of HRM policies. These detailed exploratory explanations and insights lend themselves better to case study approaches.

This type of research does have some weaknesses. The greatest is perhaps the subjectivity, which is inherent within qualitative research design. Cross validation with other research strategies would make the work more robust (Buyens and DeVos, 2001). This type of analysis within the HRM empirical work often does not take account of factors such as industry or organisational size which may have a substantial impact on the results, limiting their ability to be representative within different organisational settings.

This paper describes the research methods used in a study to undertake an integrative and therefore more representative research process in examining the strategic nature of HRM. It is split into two sections. The first section describes the quantitative research methods and findings for the empirical testing of the matching (linear) model and the second section extends this and describes the qualitative methods used to test the more emergent Harvard model approach. The aim of this combined multi-method research design (Saunders *et al.*, 2007) was to produce a fuller picture of the process of strategic HRM than previous research in the field had done.

Section 1: empirical research on the matching (rational) approach

This part of the research sought to test the matching model of HRM and establish the extent to which HRM arises out of formal strategic planning mechanisms. This model

suggests that formal planning arises by matching the characteristics of an organisation's market to its business strategies and HRM policies in a top down way. To establish whether this was the case two research aims were established:

- (1) To identify and describe the extent to which particular market characteristics are associated with particular business strategies within the firm.
- (2) To identify and describe to what extent to which particular business strategies are associated with HRM strategies within the firm.

In order to address the two research aims it was felt that descriptive research would be the most suitable since such a research approach seeks to portray an accurate profile of events or situations (Robson, 2002). Descriptive research tends to use survey techniques (Hakim, 1994), which provide two main advantages for this study. First, surveys are considered well suited to descriptive research where interest is in counting how many of a sample possess particular attributes (Bryman and Bell, 2007). Second, the use of a survey allows associations between the variables to be mapped out and measured to show whether the associations are strong or weak.

Development of a research model

The next stage of the research methodology was to develop a research model capable of dealing with the complexities of the research and allow for empirical testing (Figure 1). This is an important part of descriptive research where relationships between variables are being examined (Saunders *et al.*, 2007).

Whilst the model offered by Fombrun *et al.* (1984) formed the basis of this analysis, it was amended so that it was capable of empirical testing. The model is shown in Figure 1. It starts with market characteristics, focusing on structural measures, akin to Porter's (1980, 1985) five forces model. It then suggests that this should lead to particular business strategies within each organisation. The model concentrates on business strategies as the literature suggests that this is the level at which responses to the market occur. Whilst there are many typologies of business strategy types available within the literature, Miles and Snow's (1978) model of strategic types was chosen for the study. They produced a typology which attempted to categorise organisations in terms of how they behaved strategically and they argued that three different business strategy approaches tended to be displayed. Defender organisations produce products and services for a niche market, operating in a narrow domain, defending their markets by aggressive pricing policies or emphasising quality. Organisations with prospector business strategies encourage innovation and move rapidly into new markets. Analyser organisations only enter markets when they prove to be profitable and emphasise efficiency and stability, often using mass production

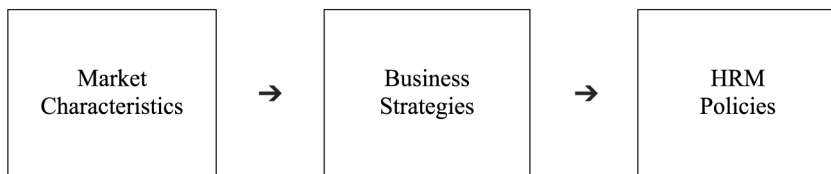


Figure 1.
Research model

techniques. The final part of the model proposes that the organisations' business strategies should lead to appropriate choices of HRM policies within the firm.

Operationalisation of the research model

Once the model had been developed it was necessary to operationalise it. Oppenheim (1992) indicates that this is one of the most important steps in survey design. Operationalisation is the translation of the variables in the model into attributes upon which objects differ. It makes the variables included in the model measurable. Guidance by Oppenheim was followed in undertaking this process. There were several stages to this, which included defining the variables; generating textual descriptions of the variables and developing continua from the textual descriptions. These stages are detailed below.

Defining the variables

The first stage was to define the variables in the model by taking common themes from the literature (Johnson and Scholes, 2008; Torrington *et al.*, 2007; Worthington and Britton, 2006) and considering their appropriateness to the research. The author's definitions for the purpose of this study were:

- Market characteristics: "structural factors within the market that influence a firm's ability to compete".
- Business strategy: "strategy of the business unit or company."
- Human resource strategy: "The intentions of the organisation towards the management of its employees, expressed through policies and practices".

Generating textual descriptions of the variables and developing continua

The next step in the operationalisation was to generate textual descriptions (dimensions) of the variables and to develop continua from them. An extensive search of the literature was undertaken to achieve this. To account for the variation between organisations, each of the dimensions needed to be capable of varying along a continuum. To do this each one was defined by starting at one end of the continuum thus making it possible to plot to the opposite end, resulting in a set of bi-polar constructs. Examples of the constructs for the three integrative research areas are shown in Tables I, II and III.

Dimension	New/growing	Stage of market evolution	
		Mature	Very mature/declining
Frequency of product changes	High	Moderate	Low
Extent of uncertainty	High	Moderate	Low
Barriers to entry	Low	Moderate/High	Low
Geographic location	Local	Global	Global
Number of competitors	Few	Moderate	Many
Degree of excess capacity	Low	High	High
Number of market leaders	Few	Moderate	Few
Economies of scale	Low	Moderate	High

Sources: Kotler (2008); Jobber (2007); Brassington and Pettitt (2005); Porter (1980, 1985)

Table I.
Example continuum of
market characteristics
dimensions

The research tool

Once the operationalisation of the variables had been completed, it was possible to design the research tool with the aim of gathering data to answer the two research questions. The choice between using either quantitative or qualitative methodology is based on the nature of the information required and the expected use of the findings (Robson, 2002). The research “need” was to provide a broad-brush overview of the current situation and determine the extent to which the variables studied were related. The information required to achieve this had to be clearly defined so that comparisons between the firms could be made (Balnaves and Caputi, 2001). Further, in order to make these comparisons it was necessary to examine all the firms in the same way. This reinforced the appropriateness of a quantitative survey approach, using a structured questionnaire.

The data were gathered from two mailed questionnaires. The first sought information on the firm’s market characteristics and business strategies, and was perceptual in nature. The questionnaire asked a senior member of each organisation who was involved in making strategy decisions to rank the type of market to which they belonged, and also their business strategies along a number of dimensions. Each response was ranked on a scale of 1 to 7. The second questionnaire examined the HRM

Table II.
Example continuum of
business strategy
dimensions

Dimension	Type of strategy		
	Prospector	Analysers	Defender
Product mix breadth	Broad	Changing	Narrow
Product quality	Low/moderate	Moderate	Mixed/high
Existing product development	High	Moderate	Low
New product development	Mixed/high	Moderate	Low
Rate of new product introduction	High	Moderate	Low
Relative price level	Mixed	–	Mixed
Active marketing	High	Moderate	Low

Sources: Kotler (2008); Jobber (2007); Brassington and Pettit (2005); Miles and Snow (1978)

Table III.
Example continuum of
HRM dimensions

Dimension	HRM issue	
<i>Organisational structure</i>		
Type of structure	Layered/top down controls Centralised	Flat Decentralised
<i>Employee voice policies</i>		
Employee input/participation	Input on narrow agenda	Input on wide range of issues
Type of communication	Formal	Informal
<i>Training</i>		
Priority placed on training employees	High	Low
Formality of training	Informal	Formal
Amount of training	High	Low

Sources: Bratton and Gold (2007); Torrington *et al.* (2007); Schuler and Jackson (2007); Mullins (2007); Brooks (2006); Rollinson (2005)

strategies of each organisation. To do this, HRM managers were asked to describe the HRM practices within their organisations. Since the questionnaires were sent out to two individuals within each organisation, it was necessary to be able to identify if both had been returned from the same organisation. In order to do this, each organisation was given a code, and the questionnaires were matched.

The questionnaire was sent to a total of 50 organisations in each of 6 industries: sanitary services, inland transport, footwear and clothing, hotels and catering, financial services and construction. The sample was limited to organisations with 500 or more employees, in order to increase the chance of them having fully operational, formal strategies. A total of 67 organisations returned both questionnaires in a usable format. Of these 16 organisations were found to be in a new/growing market; 35 in a mature market and 16 in a very mature/declining market. A total of 13 were found to have prospector business strategies, 24 analyser business strategies and 30 had defender business strategies.

Findings

It is beyond the scope of this paper to overview the findings in detail but they are briefly summarised in this section for completeness. The first research aim, which considered whether there was a link between market characteristics and business strategies, was addressed using a variety of statistical techniques, such as one-way ANOVA and *T*-Tests. The results showed that market characteristics were associated with organisations' choice of business strategies in approximately 50 per cent of cases. From this it could be summarised that organisations were using formal strategic planning mechanisms within their strategic processes. The second research aim, which addressed the link between business strategies and HRM policies was examined using statistical techniques such as chi-squares. It was found that only two of the nine HRM policy areas studied were linked with business strategy, suggesting very little association between them. This added strength to the argument strategy implementation did not always arise as a result of formal strategic planning mechanisms and drove the need for the second stage of the study.

Section 2: empirical research on the emergent Harvard approach

The aim of this part of the study was to explain why HRM strategies were not arising as a result of formal planning mechanisms and further what was influencing the organisations' choices. In order to address this research aim, explanatory research methodology was considered the most appropriate as this seeks to provide an explanation of a situation or problem (Robson, 2002). This fell within the general principles of grounded theory.

Grounded theory was first formulated by Glaser and Strauss (1967) as a means of generating theory which is embedded in data. Turner (1981) described the stages of grounded theory. In the first stage the researcher starts to develop categories which illuminate and fit the data well. As the relevant factors which might affect the link between business strategies and HRM strategies were not known, categories of important factors could be developed after preliminary fieldwork. At the second stage the categories are then saturated, meaning that further instances of the categories are gathered until the researcher is confident about the relevance and range of the

categories for the research setting. In this study several examples of each category (influencing factor) in different organisations could be examined in order to gain confidence in the data. In the third stage the researcher then seeks to abstract a more general formula for the category. This helps theory to be developed. Overall, grounded theory provided two benefits for the study. It allowed the chance of uncovering issues that might have been overlooked if a model containing pre-defined variables had been tested. It also provided flexibility in the data collection process, enabling the reasons why HRM choices were identified more clearly than other approaches might have done.

Research methods used

The research need was the ability to identify why organisations choose their HRM strategies, which lent itself to a qualitative methodology. The basic aim of such methodology is to discover “why” and “how” things occur (Robson, 2002). A semi-structured interview technique (Miles and Huberman, 1994) was chosen as it provided a framework to conduct the interview, whilst leaving flexibility to allow issues that were more pertinent to individual cases to be explored in greater depth.

The research sample

Grounded theory approach often uses a purposive sampling procedure (Robson, 2002). The principle of selection in purposive sampling is the researcher’s judgement as to typicality or interest. Initial sampling is often carried out, and from this analysis the results are used to extend the sample in ways guided by the emerging theory. Due to time and cost considerations this was thought to be a suitable approach. It was decided to ask companies who had participated in the first part of the study (who had a good link between market characteristics and business strategies; but not between business strategies and HRM policies) whether they would like to participate further. Of the total sample 31 of the organisations had these links.

As explanations for HRM practices was the major goal, a deliberate choice was made to focus on depth rather than breadth. Ulrich (1987) explained that it is unrealistic to undertake an in-depth analysis at the same time as looking at large samples. It was therefore considered that the purposive sample needed to be restricted further by using a homogeneous sampling procedure. This meant that the sample was reduced by concentrating on a narrow range of areas within those available. It was decided that organisations in very mature/declining markets which had defender business strategies, would be chosen. This meant that results could be more easily compared than if a range of organisations, with different market characteristics and business strategies had been chosen. A letter was sent out to all relevant organisations that had participated in the original study and five of the organisations agreed to participate further. One of these became the organisation for the pilot study and the other four the final chosen sample.

Research tool

For comparative purposes it is recognised that an interview schedule which included the same questions to all four organisations would have been the most suitable. However, as each organisation tended to utilise a diverse range of HRM practices this was felt inappropriate. Instead, it was decided that each interview schedule would be

written exclusively for each organisation, covering only the HRM practices for that organisation. The benefit was that it could be tailored to suit each organisation, providing more relevant answers. It was felt that comparable data would still be obtained as it was not the questions themselves that provided the basis for comparison, but the reasons behind the answer.

Interview process

It was agreed that two members of staff in each organisation would be interviewed – the HRM director and HRM manager. The same schedule was used for both people. The reason for doing this was to address the concerns of writers such as Barnes (2001) who believed that members of the organisation often told different stories depending upon their level in the hierarchy. The aim was to get a more rounded picture of the factors that affected HRM within the four organisations. The interviews took place over a five-month period and eight people were interviewed in total. Each interview was tape-recorded and lasted between one and three hours.

Data analysis

According to Holsti (1969) the principal of content analysis was to reduce qualitative data to quantifiable terms. It was therefore necessary to find a way of reducing the volume to a point where a clear understanding could be gained. For this study each transcript was read and the relevant sections coded. The process was then repeated to reduce the chances of missing a vital piece of information. Second, once the coding had been completed, the document was deconstructed so that only coded data remained. This reduced the size of the documents and meant that a holistic picture of the factors affecting HRM strategies could be gained.

It was decided that the interviews would be analysed and written up using a case study approach. There were two main reasons for this. First, Yin (1989) advocated that one of the best ways to analyse and write up qualitative data which have a grounded theory approach was by case study. Second, as Robson (2002) commented, case studies also provided a useful basis for comparative studies. A comparative case study approach was useful as it allowed the reasons for any weak links between business strategies and HRM strategies in the organisations to be compared. According to Yin, where explanatory case studies were conducted and the goal was to provide an explanation of what was happening, as it was in this research, the use of standardised data display and summary devices are recommended. Each of the four case studies was therefore analysed in a standardised format, and the findings that follow give a brief cross case comparison summarising the factors that were found to influence the choice of HRM policies in the organisations studied.

Findings

There were five factors that influenced the shaping of HRM policies in all four organisations. These were stakeholders, management philosophy, labour market conditions, organisational culture and power. Two of the organisations highlighted work-force characteristics as influential in determining their HRM policies. Organisation history was found to be influential in two organisations and unions had an impact on one organisation. Each of these factors is outlined in Table IV.

Stakeholders

The research discovered that stakeholders had influenced the choice of HRM policies in all four organisations. Despite a seemingly vast number of possible stakeholders, surprisingly similar results were found in terms of the type of stakeholders, which had been influential in decision making about strategy. It was unsurprising that customers had a substantial impact upon strategic decisions and all four organisations had changed their business strategy towards a customer emphasis and quality. This had resulted in an increase in training and emphasis on informal communication, speeding up the rate of response to the customer. In order to achieve this, two of the organisations (B and D) had emphasised numerical flexibility, and two (A and C) had encouraged functional flexibility, particularly for their professional and skilled staff.

Staff retention was considered vital in all of the organisations examined, due to the cost of new recruitment and training and the skills shortages in some occupations:

HRM planning is difficult enough, but to find the right people is becoming more and more difficult (HRM manager, organisation C).

In order to improve staff retention all four organisations had tried to increase the range of staff skills through functional flexibility. It was recognised that this might enhance employee motivation and encourage staff to remain working for the organisation. Organisations A and C paid substantially higher salaries than their competitors in order to encourage staff retention. Organisations B and D, employed high numbers of part-time staff and they were given equal benefits to full-time ones.

Workforce characteristics

In organisations B and C workforce characteristics had affected their choice of HRM policies. In these organisations there had been an increase in managerial, professional, technical and sales staff. However, these staff had been recently recruited rather than developed from within. They had been given more accountability in order to respond quickly to the customer. In organisation A, there was an attempt to develop skills from existing staff, although this was a new initiative and it was unclear how successful it would be.

Example influencing factors	Organisation			
	A	B	C	D
Stakeholders	✓	✓	✓	✓
Work-force characteristics	✓	✓	✓	✓
Management philosophy	✓	✓	✓	✓
Labour market conditions	✓	✓	✓	✓
Unions				✓
Organisation culture	✓	✓	✓	✓
Organisation history	✓	✓		✓
Organisation power	✓	✓	✓	✓

Table IV.
Factors influencing
sampled organisations
choice of HRM policies

Management philosophy

The management philosophy of key managers was found to be influential in all four organisations, in particular the managing director. This was concerned with ensuring that quality products and services were produced to meet the needs of the customer. In all cases this was considered to be a reflection of the increasing competitiveness of the organisations markets:

[...] the market for our product was becoming increasingly competitive and we were running out of customers, we had to improve the way we treated them (HRM director, organisation A).

Increases in job flexibility, higher skill requirements and de-layering were examples of management initiatives that had been introduced to improve customer relations. These policies also acted as cost cutting measures, which were deemed important within their markets.

Labour market conditions

All of the organisations had been affected by labour market conditions, which had resulted in difficulties in attracting some staff groups to their organisations, in particular part-time employees and highly skilled staff. In organisations employing part-time workers (B and D), policies such as flexi-time had been introduced. This differed from the organisations mainly employing full-time staff (A and C), where policies such as high wages, flexible benefits and extensive access to staff development had been introduced.

Unions

Unions influenced the HRM policies of organisation D, which was the only organisation who negotiated with them. It was found that unions had some influence upon the pay and pension scheme policies in this organisation.

Organisation culture

Organisation culture was found to influence the choice of HRM policies in all four organisations. The ideals of the Managing Director in particular provided the dominant influence. HRM policies such as flexibility, multi-skilling, high priority placed on training and informal communication were encouraged and these policies reflected the beliefs of the managing director:

[...] we want to create a culture of staff flexibility. This is currently a choice, if staff want more flexible job roles, then we encourage this. Flexibility is a requirement however, for new staff (HRM director, organisation B).

In organisation C, the HRM director, who was new to the organisation was also a dominant influence upon culture. This person endorsed the HRM policies considered important by the managing director, but encouraged a greater range of changes to be made, such as modifications in the appraisal system and employee benefits.

Organisation history

The organisations history was influential in two of the four organisations (A and B). In particular, policies which had not worked well in the past had been modified by current leaders. For example, heavily centralised structures had been removed by de-layering

and de-centralisation of decision making responsibility, to reduce costs and speed up customer response rates. In organisation A, the managing director was also the company founder. He regularly got involved in HRM policy decision making by re-introducing policies that he thought had been successful in the past:

[...] three years ago we were an aggressive company, typical of those in our industry. The managing director decided that it wasn't the fun it was when he first started 25 years ago, and he decided things should change (HRM director, organisation A).

Organisation power

Organisational power was highlighted as important in influencing the type of HRM policies that were used in all four organisations. The managing director in all cases had suggested the need for the move towards quality of work, and had exerted the main influence towards achieving this by altering structures to make it possible. After these structural and control decisions had been made, policies to aid these processes, such as appraisal, and training tended to be left to the HRM director. Organisations A and C were dependent upon sub-contractors with expert power to perform considerable amounts of work for them, such as computer specialists and consultants. These people demanded high salaries and benefits, which were out of the control of the organisation. A skills shortage because of a decline of personnel entering the industry for organisation A also meant that they found it difficult to replace staff. The power of these employees meant that managers had to be careful to choose HRM policies that did not challenge the desirability of working within the organisation.

Discussion and concluding remarks

This study contributes to knowledge by empirically testing both the objective, rational approach to strategy formulation and the more emergent approach in which strategies develop over time, in one integrative study. Previous studies have tended to examine these in isolation. It was clear from this research that organisations exhibited strong links between their market characteristics and business strategies. This suggested that a high level of strategic planning was occurring in a logical and proactive manner. However, in the human resource field there was considerably less evidence of such a formal, deliberate approach to strategy development. This was because the process of strategy formulation was influenced by a broader range of factors than simply objective planning measures. These included factors such as the different stakeholders, management philosophy, organisation culture and power. In the same manner marketing planning is likely to be influenced by a similar range of factors and it is important to consider these in the strategic planning process. However, it is apparent from this research that even though strategies did not always appear to be the result of deliberate objective strategic planning, neither did they emerge in a purely ad-hoc manner. There was clearly a high degree of planning involved but a broad range of contingencies affected the strategy making process.

This paper has described the use of two research methodologies which were combined to create a mixed methods study with the overall aim of increasing understanding of the process of strategic HRM. An initial larger quantitative study was followed by a smaller qualitative one, with the sample for the qualitative study being drawn from the larger quantitative one. For the descriptive research a

quantitative method was the most logical choice, and to address the “why” issues a qualitative, grounded method seemed the most appropriate. There was substantial benefit in the use of the mixed methods approach for the study as it provided a richer picture of the issues under consideration rather than if only one approach had been utilised. This also expanded on previous studies, in which the two approaches (matching and Harvard) had been studied in isolation, providing only a narrow picture of the field. The results of each phase of the study are complementary and aid in drawing conclusions for either part. This allowed for a deeper description of the key issues than could have been obtained by restriction to only one method.

However, as in all research studies time and cost acted to constrain the validity of the study, and a number of factors reduced the generalisability of the work. A key issue was around confidentiality as any research on strategic direction of organisations is commercially sensitive. While there was no apparent reluctance to answer the questions asked, data may be incomplete if salient issues were not reported. The study was limited to only six industries. Whilst it is recognised that samples should be representative for the information being collected (Robson, 2002) this is not always possible. Further work in other industries might have generated an entirely different set of results. The work sought information that was perceptual in nature, using self reported measures. These types of measures are open to bias. For example respondents could report a rosier picture of their organisation than reality suggests (Hakim, 1994). This reduces the consistency that could have been achieved by the use of more objective measures, such as financial reports (Boyd *et al.*, 1993). The snapshot results only provide data at one point in time. The ability to chart changes over time would have been helpful in making a more detailed assessment of strategies, but were not practical within the timescales.

Overall, this paper sought to highlight potential methodology choices for a research study on organisational strategies. The differing options reflect two of the streams of strategic management literature. It suggests that a way forward is to combine these methodologies in order to offer a more balanced and thorough explanation, rather than viewing them and researching them independently.

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