



Strategic HRM and Project Management in an Abu Dhabi
Governmental Organization – UAE

دراسة حول إدارة الموارد البشرية الاستراتيجية
وإدارة المشاريع في منظمة حكومية في أبوظبي

By

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Dedication

To my family; my dear mom for her love, my father for his guidance, my dear husband for his support and my little daughter simply for her existence, and finally to my little sister.

Acknowledgement

I would like to gratefully acknowledge Professor Ashly Pinnington for his valuable time, continuous support and guidance and his prompt feedback during the course of my research.

Abstract

There is little consensus on an explicit definition of Strategic Human Resource Management (SHRM) as well as Project Management (PM), which complicates measuring and understanding the relationship between both concepts. This dissertation research study aims to provide a comprehensive understanding of SHRM based on the current academic understanding of the concept in relation to various fields including organizational strategy, organizational performance, employment modes, leadership styles, and particularly the discipline of Project Management. It includes a critical review that compares and contrasts previous studies. The dissertation explores SHRM and PM practices in a governmental Organization in Abu Dhabi – Organization ABC, which is mainly derived from documentary sources and organizational policies and procedures, providing a chronological order of different events relating to the research subjects and their influence on the development of SHRM in Organization ABC.

The case study research concentrates on employees' interviews feedback and accounts in 3 main fields; HRM, Strategy Management and Project Management, as well as the researcher's participant observation as an employee of the organization for more than 3 years. These techniques are justified based on their relevance and appropriateness to the case study to gain an optimal insight into the research problem.

This study results found that HRM in Organization ABC is functional and is moving towards a strategic orientation. Barriers to this process are various including a lack of: stability, clear policies, authority, proper communication and expertise. Organization ABC maintains a great deal of potential and ability to develop in SHRM given current circumstances, policies and procedures. Also, employees in the organization demonstrated support and acknowledged the need for SHRM.

In order to construct an efficient and effective Strategic HRM in the organization ABC, it is critical to obtain higher management commitment to the project and build ownership of the process across the organization through raising strategic awareness and understanding. The research also proposes implementing a proper change management process that requires the collaboration of all concerned, especially the HR and Strategy Management sections, while considering the national and organizational culture. Furthermore, it is recommended that

appropriate competence and behavior strategies should be applied and corporate governance to ensure ethical practice of the process.

It is concluded that Developing SHRM will improve PM in Organization ABC which will increase the organization's ability to achieve its strategic objectives; hence increasing corporate performance. HRM in Organization ABC plays a major role in project success, particularly in the planning and execution stages of projects. An increased awareness of PM is required in Organization ABC in order to apply appropriate employment modes, HR configuration and relevant leadership styles to projects, which are based on the nature of the activity, human capital value and uniqueness. Finally, the dissertation gives recommendations for future research to enhance the understanding of SHRM and its implications for Project Management.

ملخص

حتى اليوم، لا يوجد تعريف صريح متفق عليه لمفهوم الإدارة الاستراتيجية للموارد البشرية، فضلا عن إدارة المشاريع، الذي يقوم بتعقيد عملية قياس العلاقة بين هذين المفهومين. هذه الأطروحة تهدف إلى توفير شرح شامل ومفصل لمفهوم الإدارة الاستراتيجية للموارد البشرية بناء على الطرح الأكاديمي الحالي فيما يخص مختلف المجالات المتعلقة بالموضوع بما في ذلك الاستراتيجية المؤسسية، إدارة الأداء، سبل التوظيف، وبالأخص إدارة المشاريع. كما يتضمن البحث نقداً وبناءاً ومقارنة بين الدراسات السابقة. هذا البحث يلقي الضوء على ممارسات الإدارة الاستراتيجية للموارد البشرية وإدارة المشاريع في مؤسسة حكومية في أبو ظبي مؤسسة ABC - ، وقد تم الاعتماد في هذا الشأن على مصادر وثائقية من سياسات وإجراءات المؤسسة كما توفر الأطروحة تسلسل زمني للأحداث المختلفة المتعلقة بموضوع البحث وتأثيرها على تطوير الإدارة الاستراتيجية للموارد البشرية في المؤسسة ABC.

تركز هذه الدراسة على مقابلات الموظفين في المؤسسة وأخذ آرائهم في 3 مجالات رئيسية هي: إدارة الموارد البشرية، إدارة الاستراتيجية وإدارة المشاريع، كما تركز على ملاحظة الباحث المشارك كموظف في المؤسسة ذاتها لأكثر من 3 سنوات. وقد تم الاستناد على هذه الأدوات البحثية اعتماداً على أهميتها ومدى ملائمتها للدراسة للامعان في مشكلة البحث.

استنتجت هذه الدراسة إلى أن إدارة الموارد البشرية في المؤسسة ABC تقليدية متجهة نحو التوجه الاستراتيجي فيما تعترض هذه العملية صعوبات مختلفة بما في ذلك عدم الاستقرار، عدم وجود سياسات واضحة، ضعف الاتصال، قلة السلطة وقلة الخبرة. لدى المؤسسة قدر كبير من الإمكانيات والقدرة على تطوير الإدارة الاستراتيجية للموارد البشرية في ضوء الظروف الراهنة والسياسات والإجراءات الموضوعة بالإضافة إلى إقرار العاملين في المؤسسة بأهمية وضرورة تطوير الإدارة الاستراتيجية للموارد البشرية.

عملية بناء إدارة استراتيجية للموارد البشرية فعالة وفاعلة في المؤسسة ABC تتوجب الحصول على دعم الإدارة العليا للمشروع وبناء ملكية العملية في جميع أنحاء المؤسسة من خلال زيادة الوعي الاستراتيجي. يقترح البحث أيضاً تنفيذ عملية مناسبة لإدارة التغيير والذي يتطلب تعاون جميع المعنيين وخصوصاً قسم الموارد البشرية وقسم الإدارة الاستراتيجية، مع الأخذ في الاعتبار الثقافة الوطنية وثقافة المؤسسة الداخلية. وعلاوة على ذلك، فمن المستحسن أن يتم تطبيق استراتيجيات الكفاءة والسلوك المناسبة ونظام حوكمة الشركات لضمان الممارسة الأخلاقية للعملية.

ويستخلص بأن عملية بناء الإدارة الاستراتيجية للموارد البشرية في المؤسسة ABC سوف تساهم في تطوير إدارة المشاريع في المؤسسة وزيادة قدرتها على تحقيق أهدافها الاستراتيجية، وبالتالي زيادة أداءها المؤسسي. إنه من المهم زيادة الوعي عن إدارة المشاريع في المؤسسة من أجل تطبيق سبل التوظيف وأساليب القيادة الملائمة للمشاريع اعتماداً على طبيعة النشاط، وقيمة وميزة رأس المال البشري. وأخيراً، توفر الأطروحة توصيات للبحث في المستقبل لتعزيز مفهوم الإدارة الاستراتيجية للموارد

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Chapter 1: Introduction

This introductory chapter sets the scene and provides basic information on the topic. It will define and describe key terms used, assumptions made, and the research studies that the results, discussion and interpretation of this dissertation are based on. It also provides generic background information and chronological development of the research field - Strategic Human Resource Management (SHRM) - which motivates the study's problem statement, aim, objectives and research questions.

The next chapter provides a literature review of Strategic HRM and describes major contributions to the field of study. The methodology chapter follows and describes the methodological strategies used by the researcher to conduct the study. Thereafter, the results chapter mainly relates the interview participants' viewpoints and the researcher's reflective observations. The discussion chapter will follow where results are analyzed and interpreted based on the researcher experience and in light of the literature review. Finally, a summary of the main findings is presented in the conclusion chapter along with recommendations of future research work. Also, the research study's limitations are discussed.

1.1 Definitions and Assumptions

To avoid possible confusion, the main concepts and assumptions that are central in this dissertation study are elaborated below.

Human Resource Management consists of both the soft Harvard model of HRM and the hard Michigan model of HRM. Pinnington and Lafferty (2003) define Hard HRM as management of human resource as an economic resource to achieve the strategic objectives of an organization, whereas Soft HRM concentrates more on managing human resource as valued assets, developing their skills and achieving organizational commitment, trust and needs. The exploratory research for this dissertation is based on Schuler et al.'s (1995) model which focuses on both Soft and Hard HRM. Whereas soft HRM highlights the importance of human resource development and improvement, it will lead to Hard HRM that emphasizes the role of human resource in achieving the organizational strategies.

There are a number of different models and approaches to Strategic Human Resource Management. Furthermore, 'researchers have approached the field of Strategic Human Resource Management from a variety of perspectives with little acknowledgment of the differences within them' which lead to lack of consensus to the concept's definition (Harris and Ogbonna 2001, p. 158). Different approaches and definitions of the concept are further discussed in the literature review chapter. Nonetheless, this case study research is based on a general area of agreement shared amongst a large group of researchers that Strategic HRM involves consistent and integrated HR practices and policies that are coherent with the organizational strategy (Huselid et al. 1997).

This dissertation research study draws on Wright and Snell's (1991) six strategies which are derived from their integrative view of SHRM based on competencies and behaviors. Also, the four different employments modes and HR configuration and practices of Lepak and Snell (1998) as well as Liu et al.'s (2003) relevant leadership styles are applied as the theoretical basis for the design of this study.

1.2 Background

There have been a number of significant developments in the literature on people and Human Resource Management over the last few decades, and the role of Human Resource Management in strategic management has been recognized. Such developments are due to social, political and economical reasons (Pinnington and Lafferty 2003) and the belief that organizational effectiveness stems mainly from organizational resources including physical capital, organizational capital and especially human capital resources (Barney 1991; Schuler 2000).

Miles and Snow (1984) provide a chronological history of HRM systems developments based on the evolution of different organizational forms. According to Miles and Snow (1984) agency organizations, in the early 19th century, did not comprise personnel departments responsible for HR functions. Personnel departments first appeared in functional organizations between 1850s and 1900s and their functions grew with the increasing influence on industrial organizations of Fredrick Taylor's Scientific Management approach. In the early decades of the previous century, people management was personnel management which focused on increasing productivity through selecting and rewarding employees (Taylor, 1911).

Later, the modern personnel department emerged in divisional organizations and it became more common in the 1920s and 1930s, especially in the USA, to develop, appraise and train valued human capital skills (Miles and Snow 1984; Schuler, 2000). In the second quarter of the 20th century, Elton Mayo found that social relations, motivation and satisfaction had a great effect on employees' productivity and efficiency (New World Encyclopedia 2008; Western Libraries 2012). This research work is famously known as the Hawthorne Studies. More recently, mixed-form organizations emerged between the 1950s and 2000s and the discipline of HRM started to be widely researched and associated with different fields, especially the association between the Human Resource Management and business strategy (Miles and Snow 1984).

The link between Human Resource Management and strategy was first explored and systematically theorized by Devanna et al. (1981). They called for a reassessment of HRM and broadening of its organizational role due to its growing importance for several reasons; demographic and economic shifts, regulation policies and law, and the increasing degree of management complexity. Researchers have recently established broader perspectives on SHRM and conceived it more as a holistic framework of organizational employment relationships (Lepak and Snell 2002).

1.3 Problem Statement

The research aims to study HRM from a strategic perspective in a governmental organization, Organization ABC, in Abu Dhabi, United Arab Emirates. It seeks to provide an enhanced understanding of the concept of SHRM and presents recommendations for a Strategic HRM in Organization ABC in the future.

Over the last three decades, there has been a growing amount of evidence regarding the importance of HRM in strategic management and the necessary alignment of HRM policies and structures to the business strategy. A considerable amount of research has now been published on Strategic Human Resource Management (SHRM) in both academic journals and practitioner magazines. Theories of SHRM have been expounded largely enlightened by HRM policies and practices in North America and Europe, and more recently a body of literature on emerging countries has become more available.

This topic is worthy of investigation due to lack of empirical research around HRM, SHRM in particular, in the Middle East and especially in the UAE. Currently, the link between strategy and Human Resource Management has not received enough attention from researchers in the UAE, partly this is due to the recent development of the concept in the region as well as the fact that the gap between both fields requires considerably more exploration and study. There remains only limited academic research on SHRM in UAE organizations and what has been published tends to concentrate on country-wide or industry-level quantitative surveys. The public domain still does not offer much information providing detailed case study analysis of SHRM implemented in individual organizations in the UAE. This dissertation therefore seeks to address this gap in the SHRM literature by conducting a detailed single case study of a major governmental sector organization based in Abu Dhabi.

1.4 Research Objectives and Questions

The qualitative case study research conducted for this dissertation discusses Human Resource Management from a strategic perspective in one particular governmental organization, Organization ABC, in the Emirate of Abu Dhabi, United Arab Emirates.

1.4.1 Research Aim

The purpose of this empirical case study research is; first, to provide a comprehensive understanding and a complete overview of Strategic Human Resource Management, and then evaluate and recommend new approaches to Strategic HRM in Organization ABC for the future, and further, assess its implication for project management.

1.4.2 Research Objectives

The research for this dissertation first undertakes an extensive literature review about the subject of Strategic Human Resource Management and relevant topics and identifies the relationship between SHRM and other variables such as organizational strategy, organizational performance, competitive advantage, employment modes and leadership styles and how they impact or are impacted by Strategic HRM.

Then, a case study of one UAE organization is described and analyzed in-depth. It reports the implementation of Human Resource Management and its development in Organization ABC

with the aim of identifying how far SHRM is practiced in the case organization based on previous and current HRM practices. It also provides recommendations on HRM regarding its long-term prospects in the organization and the potential for constructing a more effective and efficient Strategic HRM in the future.

Finally, the empirical case study research for this dissertation examines the relationship between HRM and Project Management in Organization ABC and identifies how project management can be influenced and improved by applying strategic HRM in Organization ABC.

1.4.3 Research Questions

The current research aims to answer the following research questions:

1. What is the contemporary academic understanding of SHRM as a management discipline?
2. What are the current and future strategic directions for the HRM function in Organization ABC?
3. What are the implications of HRM/SHRM for project management in Organization ABC?

Chapter 2: Literature Review

This literature review chapter concentrates on an examination of Strategic Human Resource Management (SHRM) and its implications in order to provide an analysis and critical appraisal of major research contributions.

It provides an overview of the evolution of the field of human resource management, from personnel management to a more holistic and systematic conceptualization of Human Resource Management. Next, it explains the development of the concept of Strategic Human Resource Management, defined by Devanna et al. (1981). Thereafter, the relationship between SHRM and organizational strategy is discussed and the question how HRM can be integrated in the process of business strategy decision-making process is addressed. Different business strategies are explored according to different organizational types (Miles and Snow 1984) and different stages of organization life cycle. Furthermore, from an HR perspective, different sources of a sustained competitive advantage are considered, mainly Barney's (1991) and Porter's (1991) propositions, and the link between Strategic HRM and organizational performance is explored. The literature review also identifies different categorizations of HR practices and relevant employment modes which are further related to different and appropriate leadership styles. Finally, project management in terms of HRM as well as effects of strategic HRM implementation on project success is discussed.

2.1. HRM Evolution

Until today, the area of HRM and its associated issues, practices and activities have developed and transformed greatly to increase understanding of the field and its related areas. Globalization has made a major contribution to this development, causing increased uncertainties and challenges in industrial business and the environmental rapid and dramatic change (Schuler 2000). HRM is affected by the organizational legal, cultural and institutional contexts and has an impact on organizational products and services, effectiveness and performance (Colakoglu, 2006).

Since the 1970s, environmental forces and organizational strategy started to impact on HRM moving it towards more of a multinational and global focus, thus, changing its goals: ‘whereas the goals in personnel management were attracting, retaining, and motivating workers, the goals of HRM are concerned with the bottom line: competitiveness, profitability, survival, competitive advantage, and workforce flexibility’ (Schuler 2000, p. 243). Carrig (1997) argues that the traditional approach to HR is not suitable for the future. The HR functions were personnel, functional and traditional and needed a more comprehensive form of integration of all sub-functions of the HR system into a more coordinated holistic activity, and adopting a broader organizational perspective (Wright and Snell 1991) (See Figure 1).

HRM, being bureaucratic in some of its origins is moving towards playing a more strategic role in the company’s performance, making a strategic contribution and creating sustained competitive advantage (Lepak et al. 2005). The new approach to HR management and practices assumes that line and HR managers should focus on both strategic long-term objectives as well as short-term operational goals (Yeung et al. 2008). Effective HRM therefore requires the collaboration and cooperation of HR professionals, line managers and other employees attending to recent as well as long-term concerns, working in the best interest of the business and the community (Schuler 2000). This improved form of strategic collaboration is supported by Pinnington and Lafferty (2003) where they also contend that both line managers and strategic professionals are steadily becoming more involved in HRM goals and activities.

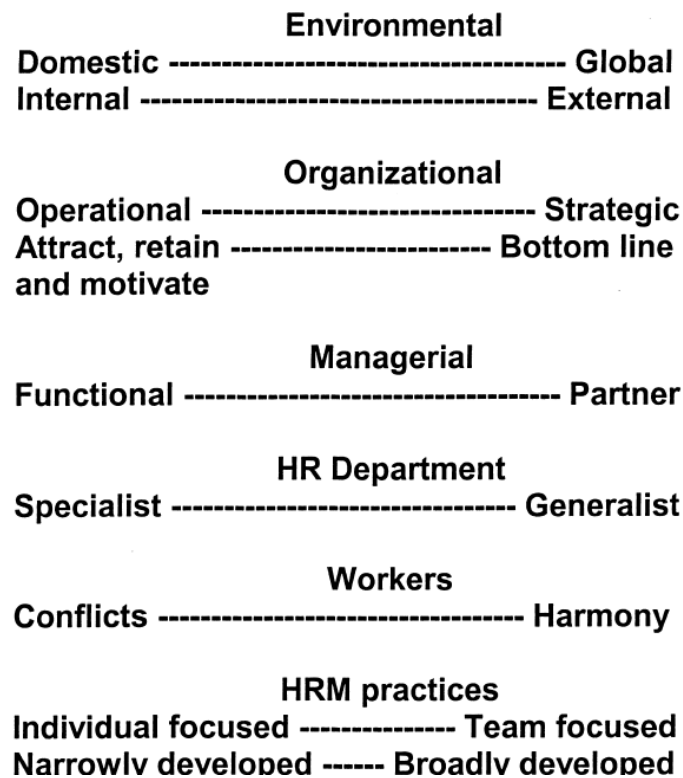


Figure 1. Comparisons Between Personnel and HRM (Adapted from Schuler 2000, p. 244)

2.2 Comparison Between Western and Asian Approaches to HRM

With specific reference to the case of Asian Human Resource Management, both Yeung et al. (2008) and Akhtar et al. (2008) agree that the evolution of HRM in Asian countries will grow towards ‘convergence’ and take on more strategic roles due to globalization, rapid business growth and economic reforms, especially in China, which started after the 1970s. HRM in Asia is beginning to adopt more systematic and progressive practices (Bjorkman and Lu 2001) representing modifications of HR practices in the West which are influenced and constrained by wider social forces, notably the Asian national and domestic cultures (Pinnington and Lafferty 2003; Yeung et al. 2008). In their research, Bjorkman and Lu (2001) studied HRM practices in Chinese-Western joint ventures and found that HRM practices resemble those of the Western foreign parent company more than those of the local company due to institutional pressure and the relative bargaining powers of the Western companies.

However, the application and transformation of ‘Western’ HRM practices from being administrative to becoming strategic-focused is time consuming and the challenge of changing employees’ mindset to becoming performance-driven and embracing integrity is difficult (Akhtar et al. 2008; Yeung et al. 2008). Notably, ‘The general social, political, and economic context [will] further limit the extent to which strategic approaches to HRM may be implemented’ (Pinnington and Lafferty 2003, p. 39).

In both the East and the West, Japanese management approaches have influenced the development of HRM theories. It is worthwhile mentioning that HR practices in Japanese-managed organizations are highly integrated with each other and with the organizational strategy (Pinnington and Lafferty 2003). Major Japanese corporations enjoy high inter-organizational dependency and long-term partnership among them, in contrast to those in the UK and Australia where organizations are independent and frequently experience high level of competition between one another, which meant that the ‘Japanization of British industry’ was mixed in results and influence (Pinnington and Lafferty 2003).

2.3 The Birth of SHRM

In the 1980s and 1990s, more concern was given to the importance of Strategic Human Resource Management which has evolved within the organizational context of HRM as a basis (Schuler, 2000). The concept of Strategic HRM as has been mentioned, is often traced back to 1981 and an article by Devanna et al. (1981) ‘Human Resource Management: A Strategic Perspective’ was published. Since then, the trend has been to explore the link between human resource management and strategy, especially during the past decade where exponential growth was experienced in research investigations and theoretical papers on the role of HRM in strategy.

However, arguably, there remains a lack of general consensus on an explicit definition of Strategic Human Resource Management (Wright and Snell 1991). Further formulation of SHRM theory has been recommended by many researchers since HRM, as a basis of SHRM, have been itself extensively criticized for its poor level of theoretical argument (Keenoy 1990, cited in Harris and Ogbonna, 2001). Consequently, the differences and consistencies between the perspectives on HRM are not well understood conceptually (Delery and Doty 1996). It is

important to reach a stronger degree of consensus regarding a clear definition of SHRM and clarify what the major components of the field are, in order to build and develop theories and learn from practice. Many researchers focus on people and practices in defining SHRM (Wright 1998), while others consider that SHRM's main components are practices, policies and activities (Schuler 2000). From a resource-based view, Wright and Snell (1991) argue that competencies and behavior are SHRM's two major foci.

fDyer proposed in 1983 that Strategic HRM is the type of Human Resource Management that supports and is integrated with the business strategy of an organization. Nowadays, more researchers tend to agree that SHRM is mainly concerned with linking and integrating HRM with the organization through its organizational strategy which requires ensuring that HR practices are consistent with organizational policies and hierarchies (Schuler 2000; Huselid, 1995 cited in Harris and Ogbonna 2001). 'Developing SHRM require the nurturing of core organizational values and ensuring that these are consistent with the strategic direction of the business' (Harris and Ogbonna 2001, p. 157).

Devanna et al. (1981) give guidelines for upgrading and developing the personnel HR function into a strategic-based HRM. The first step is an assessment of the delivery of HRM state at the strategic, managerial and operational levels (See Figure 2). The second step entails planning the HRM future and setting up a development plan for a human resource strategy based on the analysis of the current state. This analysis and planning should take an overall organizational perspective. The final step is to execute the necessary adjustments to upgrade the HR function and implement the plan to create Strategic HRM.

<i>Level</i>	<i>Employee Selection/Placement</i>	<i>Rewards (Pay and Benefits)</i>	<i>Appraisal</i>	<i>Development</i>	<i>Career Planning</i>
<i>Strategic (long-term)</i>	<ol style="list-style-type: none"> 1. Specify the characteristics of people needed to run business over long term. 2. Alter internal and external systems to reflect future. 	<ol style="list-style-type: none"> 1. Determine how workforce will be rewarded over the long term based on potential world conditions. 2. Link to long-term business strategy. 	<ol style="list-style-type: none"> 1. Determine what should be valued in long term. 2. Develop means to appraise future dimensions. 3. Make early identification of potential. 	<ol style="list-style-type: none"> 1. Plan developmental experiences for people running future business. 2. Set up systems with flexibility necessary to adjust to change. 	<ol style="list-style-type: none"> 1. Develop long-term system to manage individual and organizational needs for both flexibility and stability. 2. Link to business strategy.
<i>Managerial (medium-term)</i>	<ol style="list-style-type: none"> 1. Make longitudinal validation of selection criteria. 2. Develop recruitment marketing plan. 3. Develop new markets. 	<ol style="list-style-type: none"> 1. Set up five-year compensation plans for individuals. 2. Set up cafeteria benefits packages. 	<ol style="list-style-type: none"> 1. Set up validated systems that relate current conditions and future potential. 2. Set up assessment centers for development. 	<ol style="list-style-type: none"> 1. Establish general management development program. 2. Provide for organizational development. 3. Foster self-development. 	<ol style="list-style-type: none"> 1. Identify career paths 2. Provide career development services. 3. Match individual with organization.
<i>Operational (short-term)</i>	<ol style="list-style-type: none"> 1. Make staffing plans. 2. Make recruitment plans. 3. Set up day-to-day monitoring systems. 	<ol style="list-style-type: none"> 1. Administer wage and salary program. 2. Administer benefits packages. 	<ol style="list-style-type: none"> 1. Set up annual or less frequent appraisal system. 2. Set up day-to-day control systems. 	<ol style="list-style-type: none"> 1. Provide for specific job skill training. 2. Provide on-the-job training. 	<ol style="list-style-type: none"> 1. Fit individuals to specific jobs. 2. Plan next career move.

Figure 2. HR Activities in Strategic, Managerial and Operational Levels (Adapted from Devanna et al. 1981, p. 55).

Miles and Snow (1984) also offer guidelines to construct a proactive Strategic HRM system that require the HR department to possess all the competencies and services to manage human resources, retain a comprehensive understanding of strategic management, pursue a strategy related to the organizational strategy, and finally, provide consultancy to line managers.

Devanna et al.'s (1981) guidelines are perhaps more practical and convey a transformation process from the previous condition to the new desired state of Strategic HRM which involves assessment, planning, and analysis. However, Miles and Snow (1984) state more precisely the requirements for such a transformation in terms of competencies and knowledge.

It is important to build ownership of the process of HRM as well as to upgrade and develop senior and line managers as well as all staff as was mentioned earlier; otherwise it can be politically destructive for the organization to pursue the change (Devanna et al. 1981). Zhu et al. (2008) 'show that the development of people management systems is an ongoing process of integration, re-composition, and revitalization under the influence of (...) political and economic

changes'. Change management requires the commitment of HR professionals and an environment of dignity and respect where there should be an awareness of the complex environment and the possibility of future shifts (Carrig 1997) and a clear direction for the organizational change process (Pinnington and Lafferty 2003).

Carrig cites Continental Airlines as an example of demonstrating the importance of human resources in achieving organizational objectives and undergoing a successful process of change management. Continental Airlines had operated at a loss since 1978 and its turnaround began in 1997 after implementing a change strategy that fostered motivation and employee satisfaction for increased performance.

The upgrade process or change management is a time consuming set of complex activities and changes in power often will occur only gradually (Devanna et al. 1981; Schuler 2000). The process of HRM and strategy integration will also generate resistance from some HR professionals who have not been through it before. They will require a detailed understanding of the organization's business and a partnership between human resource professionals and line managers in order to formulate effective SHRM (Schuler 2000) so they can achieve what Huselid et al. (1997) calls professional HRM and business-related capabilities.

2.4. Best Practice VS Contingency SHRM

Delery and Doty (1996) identified three categories of perspectives in theorizing SHRM which have been commonly adopted by researchers; best practice, contingency and configurational approaches. There was at the time a vigorous debate between researchers on whether the contingency or best practice approach is more suitable for SHRM.

Pfeffer (1994, cited in Becker and Gerhart 1996) supports the 'best practice' approach rather than contingency methods. On the other hand, Schuler (2000) and Lepak and Snell (2002) argue that there is no one set of best practice HRM. Becker and Gerhart (1996) makes an interesting contribution to this debate that 'if there is a best practice effect it is more likely to be in the "architecture" of a system (...) best practice and contingency hypotheses are not necessarily in conflict – they simply operate at different levels of an HR system' (Becker and Gerhart 1996, p. 786). They also argue that 'to the extent that the appropriate alignment of an HR system with a

particular firm's business problems is idiosyncratic and complex (...) there would be no best practice' (Becker and Gerhart 1996, p. 794).

It is hence concluded that best practice effects are generalizable and not firm-specific.

Contingent HRM arises wherever organizations require different HRM practices and strategies depending on different aspects of strategic and operational organization which will be discussed later in the chapter. In SHRM to ensure internal fit, there should be alignment between individual HR practices and the HR architecture. From a contingency perspective, it is especially important to adopt an appropriately-oriented strategic human resource management (Harris and Ogbonna 2001), a statement which leads us to the discussion of SHRM in terms of organizational strategy.

2.5. SHRM and Organizational Strategy

As was mentioned earlier, firm's resources include physical, human and organizational capital resources that aid in implementing strategies (Barney 1991). Miles and Snow (1984) and others since, have argued that a major barrier to organizational strategies is implementing an appropriate HRM system (Miles and Snow 1984). SHRM is responsible for the alignment of employees interests' with organizational strategy, and further, can contribute to creating a learning culture within and across the industry (Boxall 1998, cited in Wright et al. 2001).

Porter (1980, 1985) defines two generic business strategies for achieving a sustainable competitive advantage; cost reduction and differentiation (See Figure 3). Arthur (1992) describes the cost leadership strategy as one which includes reduction of skill requirement, wages, training costs and organizational turnover as well as employee replacement based on being the 'lowest cost producer'. On the other hand, a differentiation strategy requires increased employee involvement, autonomy and training, reduction in standardization due to instability and uncertainty as well as a formal due process employee relations procedure. In essence, it is 'flexible enough to quickly shift production and organizational resources to meet changing markets and costumer demands' (Arthur 1992, p. 491).

<i>Functions</i>	<i>Cost Reduction</i>	<i>Commitment Maximizing</i>
Organization of Work	Job tasks narrowly defined;	Broadly defined jobs;
Employee Relations	Very little employee influence over "management" decisions; No formal employee complaint/grievance mechanisms; Little communication/socialization efforts;	High level of employee participation/involvement; Formal dispute resolution procedures (nonunion firms) Regularly share business/economic information with employees;
Staffing/Supervision	Low skill requirements; Intense supervision/control;	High percent of skilled workers; Self-managing teams;
Training	Limited training efforts;	More extensive, general skills training;
Compensation	Limited benefits; Relatively low wages; Incentive-based	More extensive benefits; Relatively high wages; All salaried/stock ownership

Figure 3. Cost Reduction and Commitment Maximizing (Differentiation) Business Strategies (Adapted from Arthur 1992, p. 491).

In his research on the US steel industry, Arthur (1992) found a relation and a required 'fit' between workplace industrial relations systems and business strategies, the latter being an independent variable. The industrial relations systems, he argued, will either emphasize cost reduction or employee-commitment strategies.

According to Dyer (1983), the strategy-making process can be understood as comprising of three main interrelated processes: formulation, implementation and evaluation. Dyer describes how HRM can be integrated in the strategy formulation process through parallel/sequential preparation, inclusion, participation and review. Strategy formulation according to the author should include an assessment of strategic alternatives from a human resource perspective, against organizational constraints and strengths and weaknesses in two areas; feasibility and desirability. A strategic alternative is feasible if the organization possesses or can acquire the needed competencies, and the cost incorporated in managing these competencies is within budget (See Figure 4). It should also be remembered that feasibility does not imply desirability. Desirability depends on different organizational and HRM stakeholders (Dyer, 1983). Hitt et al. (2005, cited in Colakoglu et al. 2006) and Harzing and Pinnington (2011) discuss three primary stakeholder groups that have a direct effect on organizational performance including the capital market, product market and organizational stakeholders where their interests may differ based on strategic, cultural and institutional contexts.

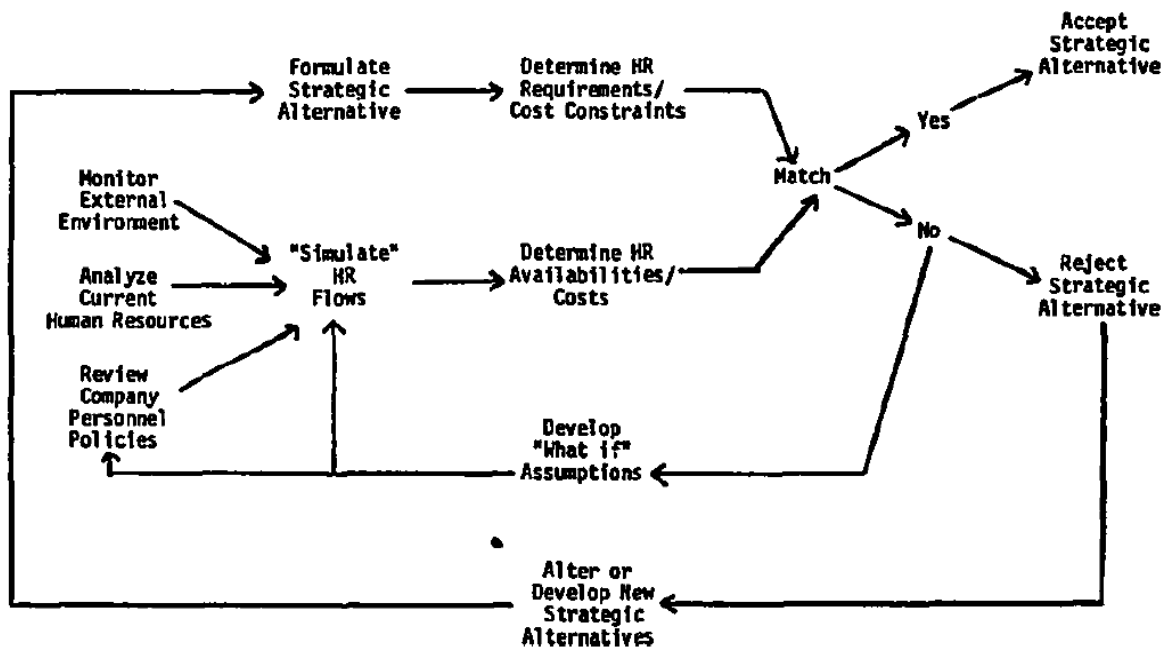


Figure 4. A Process Model for Analyzing Human Resource Requirements (Adapted from Dyer, 1983, p. 263).

HRM's stakeholders are broad and typically are taken to include the organization as a whole, top management, employees, legal authorities, suppliers, customers, investors, strategic business partners and the society in general (Schuler 2000; Dyer 1983). It is important to emphasize that all organizational and HRM stakeholders concerns, goals and objectives should be reflected accurately in the business strategy decision-making process and need to be considered when measuring the effectiveness of SHRM (Colakoglu et al. 2006; Schuler 2000; Dyer 1983).

Based on the organizational competitive strategy and nature of the business, different human resource behaviors are required. Schuler and Jackson (1987) link employees behavior to Porter's (1980) competitive strategies; innovation and cost reduction strategies. In general, they state that organizations pursuing an innovation strategy will require employees to be highly creative, cooperative, risk taking, with a long-term focus. On the other hand, cost reducing organizations require employees to be repetitive, short-term, productivity and results-oriented. The authors link the competitive strategies with sets of HRM practices based on planning, staffing, appraising, compensating, and training and development where Schuler et al. (1993) provided a similar proposition stating that organizations pursuing a given competitive strategy will have similar HR practices.

It is worthwhile to mention that the choice of competitive strategy will be impacted by stakeholders' requirements, the nature of business, competition and product/service provided by an organization (Schuler and Jackson 1987). The authors also argue that some organizations might have multiple and concurrent competitive strategies to provide incentives for different behaviors and manage the conflicts between them. Consequently, it is important to count the effect of changing competitive strategies which leads to a change of HRM practices, which in turn results in employee conflict and frustration (Schuler and Jackson 1987).

Concerned to develop the theory of SHRM further, Wright and Snell's (1991) study presented an integrative view of SHRM based on competencies and behavior management where six strategies were derived using a system's input, process and output. The strategies derived include the following: competence acquisition; competence utilization, competence retention, competence displacement, behavior control and behavior coordination. Wright and Snell (1991) related different suitable strategies to each organizational type identified by Miles and Snow (1984): prospectors, defenders, analyzers and reactors. They also discuss different strategies followed by organizations in different stages of its life cycle in the industry.

Wright and Snell (1991) also recommend a theory based view that allows for scientific inquiry and validation and improves the link between HRM and an organization's strategic business plan such as 'Open System Theory' by Katz and Kahn (1978) (See Figure 5). This view integrates the strategy and HR functions by characterizing the firm according to its human resource pool. It can be applied to assist with verifying whether the organization has the necessary competencies and behaviors for a specific strategy.

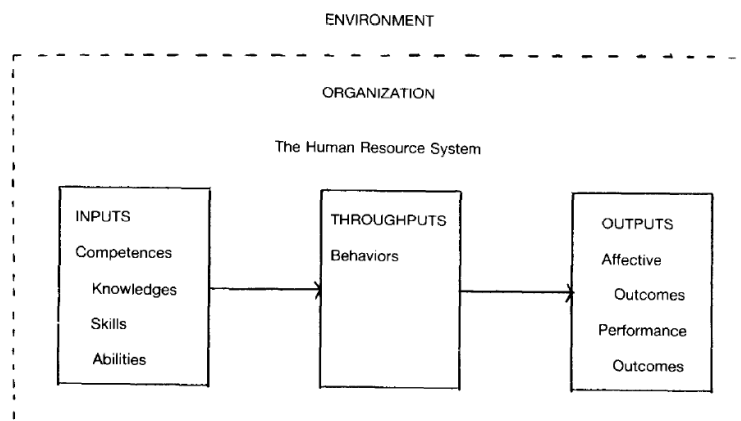


Figure 5. An Open System Model of HRM (Adapted from Wright and Snell, 1991, p. 209)

Wright and Snell argue that it is the outcomes of HR systems that implement strategies. Outcomes are determined by the inputs and throughputs, hence, HR should ‘manage the interface between the competencies and behaviors of the system and the organizational strategy’ (Wright and Snell’s 1991, p. 211) which has implications for strategy formulation and implementation.

2.6. HRM and Organizational Performance/Competitive Advantage

Different groups of researchers have studied HR strategic concepts and the role of SHRM in organizational performance, and how it contributes to creating a sustained competitive advantage. In general, Wright and Snell (1991) contend that in order to increase organizational effectiveness, HR functions and HR system components should be integrated and aligned with each other and the strategic business plan. It is important, they argue, for the firm to align skills and motives with organizational systems, structures and processes in order to achieve competitive advantage (Wright et al. 2001).

2.6.1 Creating Competitive Advantage

From a strategic management perspective, understanding sources of competitive advantage for organizations has become increasingly important and is a major area of interest for researchers. Gaining competitive advantage is a crucial aspect for sustained organizational growth.

Barney (1991) differentiates between competitive advantage and sustained competitive advantage. He states that a sustained competitive advantage is created within an organization when current or potential competitors are unable to implement the value creation strategy implemented by the organization and are unable to duplicate its benefits due to the heterogeneity and immobility of some organizational resources. He suggests that one should disregard the period of calendar time in defining a sustained competitive advantage. This is similar to Hanson et al.’s (2002) definition of sustained competitive advantage which is sensitive to continual possibility of competitive duplication.

There is a debate among researchers on what exactly is a source of competitive advantage. A major study about the relationship between organizational resources and competitive advantage

was conducted by Barney (1991) which has been enormously influential on the subsequent development of the field of SHRM. He identified four attributes of resources: value, rareness, imitability, and substitutability which can contribute to creating a sustained competitive advantage, and he created a framework that can be used to determine whether an organization's resource is a potential or actual source of sustained competitive advantage. According to Barney (1991, p. 99), sustained competitive advantage is obtained when organizations 'exploit their internal strengths, through responding to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses'. Using a similar line of argument, Huselid et al. (1997) has also claimed that investments in human resources can be a source of competitive advantage.

Schuler and Jackson (1987) based their study on Porter's (1980) framework of competitive strategy and argued that an organization may achieve competitive advantage through strategic initiative which leads competitors to respond to the initiative instead of playing a 'proactive' role. Ten years later, Porter (1990), adopted a country-level rather than an industry-level of analysis, describing competitive advantage as the necessity of competitive strategy and including seven determinants of competitive advantage from a national perspective. These include factor conditions, demand conditions, related and supporting industries, firm strategy, structure and rivalry, role of government and role of chance.

From a human resource point of view, Harris and Ogbonna (2001) base their findings on Barney's (1991) argument and propose that a market-focused strategic HRM and culture may develop a unique and inimitable source of sustainable competitive advantage with an internal and external orientation. Lepak and Snell (1998) similarly have argued that a source of competitive advantage can arise from human capital that is rare and unique. Yeung et al. (2008) found that, in addition, organizational climate may be a source of competitive advantage; thus, they propose that managers should devote time and energy in managing employees' relationships and climates. Wright et al. (1994, cited in Wright et al. 2001) remains closer to the human resource aspect stating that organization human resource i.e. skills and motivation, is a source of sustainable competitive advantage, whereas Lado and Wilson (1994) as well as Huselid (1995) argued that it is HR practices that will create sustainable competitive advantage.

HR practices seen as a source of competitive advantage is, however, criticized by Boxall and Steeneveld (1999) since they are more easily imitated when considering Barney's (1991) and Hanson et al. (2002) statement about imitation and duplication of strategies' benefits. Wright et al. (2001) argues that although such systems can be imitated, it will require time before the benefits are generated. Also, in an early research study, Lengnick-Hall and Lengnick-Hall (1988, cited in Becker and Gerhart 1996) stated that HR systems may create competitive advantage if its components have internal and external fit. However, Becker and Gerhart (1996) have criticized 'fit' as an insufficient factor for creating sustained competitive advantage where the overall configuration and fit of these HR practices is crucial, thus, HR strategies that tightly fit may break down due to the complexity and the high interdependence of the HR system elements which leads to the consideration of flexibility as an important HR system characteristic. Finally, Colakoglu et al. (2006) views the subject from a broader point of view and states that organizations need to manage their HR architecture and human capital on a global scale while considering local cultural and national differences to create competitive advantage.

In contrast, due to changes in the economic structure, human capital or other types of resource that is a source of sustainable competitive advantage and is valuable and unique at some point of time, may no longer be considered so in the future (Barney 1991; Lepak and Snell 2002). SHRM sometimes has to be redefined particularly during times of instability and uncertainty (Schuler 2000) to evaluate the resource in terms of Barney's (1991) or Lepak and Snell's (1998) considerations of a source of sustained competitive advantage. In short 'the actual stock of human capital can and does change overtime, and must constantly be monitored for its match with the strategic needs of the firm' (Wright et al. 2001, p. 704).

2.6.2 Organizational Performance

Besides the role of SHRM in creating organizational competitive advantage, the importance of Human Resource Management in organizational performance and success have been widely researched where there seems consensus that maximizing organizational performance, a multidimensional construct (Gilley and Rasheed, 2000, cited in Colakoglu, 2006), is the major goal organizations strive to achieve (Wright 1998).

Pinnington and Lafferty (2003) state that HRM practitioners since the 1990s found evidence for a link between HRM practices and organizational performance. Ngo et al. (2005, cited in Yeung et al. 2008) found that SHRM had positive effects on financial and operational performance as well as employee relations climate, and similarly, Akhtar et al. (2008) identified a set of core SHRM practices that influence product/service and financial performance. Furthermore, Huselid et al.'s (1997) influential study of the impact of HRM effectiveness on organizational financial performance and found a significant association between both variables.

Becker and Gerhart (1996) also studied the impact of HRM on organizational performance and reported positive associations. They cite Barney's (1991) Resource-Based View (RBV) theory of the organization, which asserts that HR strategies which are deeply imbedded in the organization are difficult to imitate due to casual ambiguity and path dependency; 'it is difficult to grasp the precise mechanism by which the interplay of human resource practices and policies generates value' (Becker and Gerhart 1996, p. 782). These strategies are developed over time and cannot be simply implemented due to its complex elements such as culture and interpersonal relationships (Boxall and Steeneveld 1999). In a later research investigation, Youndt and Snell (2001) discussed the effects of HR practices on organizational core competencies; human, social and organizational capital (Snell et al. 1996) which, according to Gronhaug (1994, cited in Wright et al. 2001), subsist through the collaboration and unification of all competencies within an organization in order to improve organizational performance. This perspective can be traced back to Teece et al. (1997, cited in Wright et al. 2001) who have discussed dynamic capabilities and the ability to develop new competencies based on the environment change. This change or evolution in organizational activities may depend on the different business strategy described by Wright and Snell (1991) followed by the organization based on its organizational needs and environmental contingencies, which may imply the release of some existing employees and acquisition of new employees (Wright et al. 2001).

In a quantitative study, Harris and Ogbonna (2001) explored the link between SHRM on overall organizational performance and found that the association between the two variables is indirect being mediated by the organization's exhibition of market orientation and by the extent to which its HRM policies are market-oriented. They conclude that organizations should 'focus their

attention on the needs, wants, and demands of the market, while paying attention to harnessing its human resource in order to ensure that these are met' (Harris and Ogbonna 2001, p. 164).

2.7. SHRM and Employment Modes

As discussed above, strategic HRM is mainly concerned about alignment of integrated HR practices with the organizational strategy. In this regard, different categorizations of HR practices exist among researchers. Snell et al. (1995, cited in Lepak et al. 2005) categorizes HR practices into 3 domains; operational, relational and transformational. Others such as Carrig (1997) and Wright et al. (1997) suggest three components of HR practices continuum; transactional, traditional or transformational.

However, this current study is based principally on Lepak and Snell (1998) categorization of HR practices defined as core, traditional, idiosyncratic or peripheral. The authors argue that human capital that is both valuable and unique is core to the firm and contributes to its strategic objectives and based on that, they describe four employment mode and relates each mode to a specific HR practice and HR configuration (See Figure 6).

There is little consensus on a dominant or recommended approach for delivering HR practices and there is no employment mode specific for a particular job where the decision-making process for employment modes in relation to activities relies mainly on the perceived nature of the job activity (Lepak et al. 2005). In terms of management prescription, it is the purpose of the HR activity, whether they are used to support administrative or strategic purposes and their value and uniqueness that determines which category of employment mode the job tasks it belong to (Lepak et al. 2005; Wright 1998). The following section will present different general research conclusions and will then discuss the four employment modes defined by Lepak and Snell (1998); job-based employment, knowledge-based employment, contractual work arrangements and alliances/partnerships.

A study conducted in the University of Southern California's Center for Effective Organizations (1996) found that more organizations experienced benefit from outsourcing their contractual work arrangements; however, this research was limited to administrative activities. Outsourced contractual work arrangements are often intended to reduce cost, allow more flexibility and

efficiency in a changing environment, and concentrate increased cost and expertise on particular activities likely to lead to a competitive or comparative advantage. However, such subcontracted employment modes may create risk whenever external parties are not familiar with the firm's culture and environment in performing core activities which consequently may be better delivered internally through knowledge- or job-based employment modes in order for management to control and monitor performance more directly (Carrig 1997; Lepak et al. 2005; Lepak and Snell 1998).

Carrig (1997) proposes strategic partnerships instead of contractual work arrangements where the main goal is not cutting cost, instead the focus is on value creation. In his article, Carrig set Continental Airlines as an example where the HR department in the company has moved from outsourcing activities towards strategic partnering of transactional activities. Strategic partnering 'makes strategy the driver of decisions about which functions to integrate with a partner' (Carrig 1997, p. 285) where it involves long-term commitment, special partnership requirements, expertise of HR professionals in the organization's core business, special competences and behaviors and enhanced information systems. In contrast to Carrig's (1997) proposition, Lepak et al. (2005) state that long-term partnerships carry more risks especially when the availability of contractors committed to long-term partnership orientation decreases.

Classification of employments modes based on their value and uniqueness is a landmark in the literature of SHRM. They argue that the value of human capital will determine internalization vs. externalization decisions whereas uniqueness will influence the decision of long term vs. short term contracts as well as internalization vs. externalization decisions. They relate each employment mode with specific HR practices and HR configurations (See Figure 6). First, human capital that is both unique and valuable is likely to foster a Knowledge-Based employment mode and a Commitment-Based HR configuration to perform the organization's core HR practices. Second, valuable but not unique human capital is more likely to adopt Job-Based employment modes and Productivity-Based HR Configuration for traditional HR practices. Third, Contract Work Arrangements and a Compliance-Based HR Configuration are adopted when the human capital required is neither valuable nor unique and the HR activity is peripheral. Finally, alliances/partnerships will be practiced when unique but invaluable human

capital is required to operate idiosyncratic HR practices and fostering a Collaborative-Based HR Configuration.

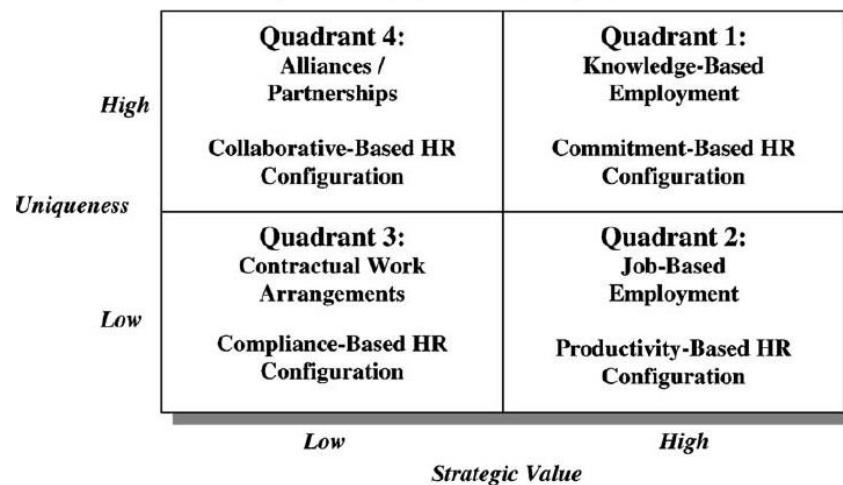


Figure 6. Human capital characteristics and employment modes (adapted from Lepak and Snell 2002, p. 520).

Lepak and Snell (2002) base their quantitative study primarily on the findings of their previous research work (Lepak and Snell 1998) and examine Human Resource characteristics and relevant configurations in different employment modes and how different groups of employees can be managed strategically. They contended that human capital value and uniqueness should be considered in decision making for HR activities and employment modes.

A later study by Lepak et al. (2005) supports the previous work by Lepak and Snell (1998; 2002) and discusses different delivery options and HR practice categorizations. 'As HR practices become more transactional [peripheral], HR functions will rely on outsourcing arrangements for their delivery. As HR practices become more transformational [core], HR functions will retain their delivery internally' (Lepak et al. 2005, p. 145). Pinnington and Lafferty (2003) also share the same concept. Moreover, Lepak et al. (2005) present an improved understanding of how to define core and peripheral HR functions and modes of delivery depending on an organization's strategic orientation, HR primary orientation, availability of delivery options, strategic vs. operational moderators, frequency of HR activities, integrated IT access and environmental uncertainty.

For example, according to Lepak et al. (2005), strategically cost-oriented organizations, with stable and rigid structures, focus on transactional practices delivering them in-house where they gain less value from transformational activities which are usually delivered through contractual agreements. On the other hand, firms pursuing innovative strategies that strive to create change are more likely to outsource their transactional activities allowing more focus on core HR activities. Along similar lines, Ulrich (1996) had previously suggested four HR orientations: (1) focus on the infrastructure, (2) enhancing employee commitment and competence, both of which are short-term and transactional, (3) a strategic partner and finally (4) an organizational change agent, the latter 2 considered long-term and transformational. There usually is a dominant orientation in any organization and based on Ulrich's (1996) categorization of HR orientations, the decision making on delivery options for HR practices can be made. Moreover, as the frequency of HR practices increase, firms are more likely to deliver HR practices internally spreading the cost to develop internal capabilities.

The discussion of different employment modes of different HR practices leads us to the conclusion that human capital, depending on its value and uniqueness, requires appropriate leadership styles to increase organizational performance, a topic which will now be discussed in the next section.

2.8 Leadership Styles and Employment Modes

Since the foundation of SHRM, leadership style has been an important consideration. Devanna et al. (1981, p. 54) stated 'another example of a strategic-level human resource practice is the attempt to match an individual's managerial style with key strategic characteristic of the business'. To become value creators, it is said that HR professionals need to have analytical and personal leadership skills as well as business insight, operational knowledge, HR discipline knowledge and skills. HRM can achieve this skill set for HR professionals by training, hiring employees with required skills and developing analytical tools to transform HRM into an essential corporate strategic tool (Carrig 1997).

Liu et al. (2003) provide a typology that matches different employment modes to different leadership styles based on the different requirements, skills and expectations from a SHRM

perspective. They based their typology upon Lepak and Snell's (1998) employment modes and on Pearce et al.'s (2000) leadership styles: directive; transformational; transactional and empowering. They suggest that due to their distinct characteristics and varied consequences, some leadership styles are likely to be more effective than others in particular modes of employments (See Figure 7).

Uniqueness of human capital	High	<p>Employment Mode: Alliance/Partnership</p> <p>Leadership Style: Transformational</p>	<p>Employment Mode: Internal Development / Knowledge-Based</p> <p>Leadership Style: Empowering</p>
	Low	<p>Employment Mode: Contracting</p> <p>Leadership Style: Directive</p>	<p>Employment Mode: Acquisition / Job-Based</p> <p>Leadership Style: Transactional</p>
		Low	High
		Value of human capital	

Figure 7. An Integrative Typology of Employment Modes and Leadership Style Fit (Adapted from Liu et al. 2003, p. 135).

Liu et al. (2003) anticipate that directive leadership will be more effective for contractual agreements for several reasons. In contractual agreements, human capital required is neither unique nor valuable, the contract is short-term focused and compliance-based with specified job requirements. These characteristics correspond with the directive leader who possesses full authority, assigns specific goals emphasizing rules and specifications of rewards vs. punishments. Second, using a similar analysis, they propose that transactional leadership is more effective in job-based employment modes. Third, transformational leadership is more effective,

they propose, for alliances and partnerships. Finally, they argue, empowering leadership will be most effective for managing knowledge-based employments.

Liu et al. (2003) also propose that a combination of leadership styles might be effective for certain leadership groups where leaders must adapt to different and sometimes conflicting organizational requirements and expectations.

2.9. HRM and Project Management

‘A characteristic of this type of management [project management] is that it is often removed from some traditional management principles present in organizations with a purely functional structure’ (Fabi and Pettersen 1992, p. 81). This may imply the modern and innovative nature of the field of project management that have been founded and given great attention in the middle 1900s. The relation between strategy and projects is very evident where projects are means to achieve strategic plans. Jiang and Klein (1999) propose that project selection in strategic-oriented organizations is dependent heavily on organizational goals, management support and environmental factors.

HRM is an important aspect of project management and one of its nine knowledge areas as described in the PMBOK guide (PMI 2008). Fabi and Petterson (1992) study HRM practices in project management and state that project management can affect human resources in different ways: assignment of personnel from project to project, conflict between responsibility and authority, team building, etc. From a strategic perspective, they argue that HR management and planning should be congruent with strategic project plans. Similarly, Pinnington and Lafferty (2003) state that planning human resource, that is anticipating availability of resources versus the needs of the organization according to Fabi and Pettersen (1992), is one way of aligning HRM with the organization’s strategic requirements.

An approach for resource planning and scheduling in project portfolio management has been developed and evaluated by Laslo (2010) to balance corporate resources and optimize their allocation against projects according to the strategic organizational direction. Laslo and Goldberg (2001) also assert the importance of identifying and evaluating strategic variables when making resource planning decisions.

‘Strategic projects represent the core of corporate growth, change and wealth creation ... [and] motivate the creation, acquisition and development of competencies’ (Asrilhant et al. 2006, p. 214). Asrilhant et al. (2006; 2007) provide portfolios of comprehensive techniques and elements to support successful strategic project management in the evaluation and control stages of projects. These elements expounded by Asrilhant et al. are extended from Kaplan and Norton’s (1992) four perspectives of the Balanced Scorecard in order to align the project level with the corporate level. The aim is to encourage managers to consider all elements that explain success in strategic project management including internal business elements and HRM elements such as learning, employee interest and satisfaction, innovation and communication rather than concentrating only on financial, environmental and internal project content elements only.

Based on Barney’s (1991) resource-based view of the organization, Jugdev et al. (2007) studied the contribution of project management assets to an organization’s competitive advantage. They contend that intangible project management assets contribute to the competitive advantage of an organization whereas tangible project management assets are not rare or inimitable. Examples of tangible assets include project management methodologies, professional formal bodies of knowledge, maturity models and project management offices. Executives and managers need to assess their investments in project management assets as well as identify and develop their intangible project management assets to make them a source of competitive advantage for the organization (Jugdev et al. 2007).

An oft-cited study by Pinto and Prescott (1988) explored the significance of HRM on project success and although represented in the theoretical literature as critical, HRM according to the authors, is possibly a somewhat marginal factor to project success and did not have a significant impact. The relationship found between the two variables varied according to the project life cycle and organizational structures where the personnel variable had a significant influence on project success only in case of a functional and during the execution stage. These findings are the opposite to Pinnington and Lafferty (2003) and Fabi and Pettersen’s (1992) claims that HR planning, mainly in the project’s conception stage, is an important aspect of the organization’s management, including its project management.

Belout (1998) examined Pinto and Prescott’s (1988) findings and argued that their model was not advanced enough for identifying HRM components in project management. They did not, for

example, consider project managers as independent variables. Also, Belout (1998) concluded that their 'project success' variable lacks precise measurement and definition and this should be considered in the light of the fact that different academics have identified a range of criteria for measuring project success. Belout recommends improving the model used and modifying the personnel factor in order to ensure validity of the measures.

In a similar more recent study, Belout and Gauvreau (2004) also recommended making improvements in the questionnaire's psychometric properties such as the variables used by Pinto and Prescott (1988). There is lack of consensus of a common definition of HRM variables and, in addition, little research has been conducted on HRM's impact in project management. Given that it is an undeveloped field, this complicates the measurement of HRM and its impact on organizational or project success. The literature on the application of HRM in project management is not sufficient and many organizations are at an early stage in developing their HRM functions and activities (Fabi and Pettersen, 1992). Furthermore, Belout and Gauvreau (2004) contest Pinto and Prescott's (1988) findings by arguing that most project management models have based on theoretical assertion that is less often backed up by systematic empirical evidence.

Chapter 3: Methodology

This qualitative empirical research is based on a case study (Stake 1995; Creswell 2007) that emphasizes detailed contextual analysis of a limited number of events/conditions and their relationships in a specific governmental sector, Organization ABC, in Abu Dhabi, United Arab Emirates. Research methodology literature indicates that in order to provide a comprehensive understanding and in-depth analysis of a person, process or organization, a case study methodology is appropriate and preferable over other research methods such as ethnography that aim at determining how cultures work, narrative research which aims mostly at individuals and grounded theory methodology which is used in developing theories (Morris and Wood 1991; Creswell 2007; McCaslin and Scott 2003). Case studies also have broad interdisciplinary backgrounds and can portray and illustrate the exact case in details and can use a wide variety of data collection techniques (Flick 2009; Creswell 2007, Tellis 1997).

This single instrumental case study is descriptive (Yin 2003) where it provides a comprehensive understanding of Human Resource Management in Organization ABC. It precisely describes the current HRM practice in the organization and reconstruct a more effective and efficient strategic HRM for the future. Instrumental case study was selected over collective case study to avoid diluting the overall analysis in order to provide an in-depth understanding of the issue.

The case is studied as a particularly instructive example for a general problem i.e. lack of SHRM understanding in the United Arab Emirates. The case study methodology make generalization rather difficult (Flick 2009). However, results, conclusions and recommendations of this research might be fairly applicable and generalized in most of the governmental sectors and institutes in the Emirate of Abu Dhabi. This is due to the common law, policies and procedures employed in most governmental sectors across Abu Dhabi. Furthermore, the organizational culture of most governmental sectors share a wide variety of attributes of the United Arab Emirates national culture in general and Abu Dhabi in particular. Another challenge in applying the case study design is delimiting the case to what has to be analyzed (Flick 2009). This was achieved by setting boundaries of what information of certain topics is to be collected and analyzed through set interviews questions and purposive sampling. In contrast, generalization is not the case in this

qualitative study, instead the crucial factor to overcome was to understand and properly analyze the conflicting information retrieved from the interviews.

3.1 Data Collection

The current study uses a combination of case studies data collection techniques including interviews, participant observation, as well as documentary evidence. Approval and support from management regarding the topic was obtained before commencement of the research.

3.1.1 Interviews

Interviewing is a common technique used for many qualitative research methodologies where face-to-face contact is preferable over phone conversations and online conferences due to the personal contact it provides which allows better understanding of the interviewees encouraging them to better explain their positions and feelings. Interviews were used instead of surveys or questionnaires because a deep analysis was required instead of a broad analysis. Moreover, the respondents were known, the interaction required was deep, the information required was detailed and there was a need to probe and receive feedback. The significance of establishing personal contact with interviewees came from the necessity to understand the meanings respondents ascribe to the phenomena and view things from their point of view.

Expert interview was used rather than problem solving interviews because the problem statement research objective is generic. Although narrative questions were not intended, few stories were told during the interviews which enhanced the understanding and interpretation processes. Questions aimed at a greater depth of the topic for a more comprehensive understanding and concentrated on certain topics i.e. HR, strategy and project management. Semi-standardized interviews with a mixture of mainly open questions and few closed questions when necessary were used. The interview involved factual, knowledge and opinion questions to facilitate analysis.

The interview aimed at obtaining and collecting data for analysis and lasted for approximately 45 minutes. At the initial stages of the interview, the researcher aimed to establish a rapport and a sense of comfort and trust with the respondent. Later, open exploratory questions were used

because most questions required more than a simple yes/no answer. Furthermore, explanations from the respondents of their viewpoints and expressions of their feelings were crucial to obtain. Open questions were also useful to obtain critical information that might be difficult to obtain through closed questions, emails or phone conversations. At some instances the interviewer was 'led' by the respondent and information obtained lied in the ability of the researcher to ask follow up questions and the nature as well as the direction of some subsequent questions were influenced by initial ones. A major question that was not planned was 'What is the main reason of employee de-motivation in Organization ABC?' which was asked at the end of each interview and contributed significantly to the research objectives and questions in terms of understanding the effects on HRM to conceptualize a better Strategic HRM for the future.

During the interview, the researcher used field notes to document the interviewees' answers and feelings then a transcript of the interview was sent to each respondent for verification purposes to assess and confirm the data collected and ensure that information interpreted has the same subjective meaning of the interviewee for further analysis. Implicit and subjective information and interviewees' position was made more explicit in the summary to allow and improve further development and analysis, for example, 'the HR manager does not recommend flexibility in HR rules and regulations among Abu Dhabi governmental entities and prefers a unified set'. Although during the interview, the example statement was not said word-by-word, the discussion of the interview led the researcher to this conclusion which was confirmed by the interviewee.

The sample of interviewees was purposive; 'in case studies, sampling is purposive' (Flick 2009, p. 134). The interviewees were chosen deliberately from previous analysis by the researcher for their relevance to the issue and likelihood of their contribution to the progress of data collection. The sample was identified based on their involvement, knowledge and particular experience in the HRM and strategic practices in Organization ABC; hence the sample was comparatively homogeneous and conformed to a set of criteria. One interview was undertaken in this study with each interviewee. The interviewees sample included 9 Organization ABC internal employees from two sections; Human Resource and Strategy Management sections. Interviewees from the HR section included the current HR manager, the current HR director, a senior HR officer and one HR officer, a previous HR manager and a previous HR director who are currently working within the organization in another field. Previous managers and directors were selected due to

their particular experience and role in the HRM transformation and development in Organization ABC in the last three to five years. Current HR employees were interviewed due to their role in the present HRM and their potential contribution to the future HRM and SHRM. This was useful in linking the past with the present and future. The Strategy Management section interviewees consisted of 2 managers and 1 senior officer.

The interview questions were developed in light of the research questions, aim and objectives. The questions comprised of different main subjects based on the literature review and nature of the interviewees' profession, where not all questions were asked to some interviewees. The interviewees were informed about the research aim and interview questions in advance and confidentiality of the respondent as well as the organization identity was ensured.

Below are the interview questions:

1. Human Resource Management

- a. How do you perceive the nature and relation of HRM in governmental organizations in Abu Dhabi?
- b. From your experience, define the Human Resource function in Organization ABC and describe its current various roles and responsibilities.
- c. Describe the Human Resource Management course of transformation and development in Organization ABC in the past three to five years and what caused it?
- d. What are the objectives and future plans of Human Resource section in the next 5 to 10 years and how can they be achieved?

2. Strategy Management

- a. What do you think about the Strategy Management section functions and roles and responsibilities?
- b. What do you think about the recent organizational strategic plan and to what extent does it create a sustainable competitive advantage?
- c. Describe the relation between Strategy Management section and the Human Resource section in Organization ABC in terms of objectives and functions and how can this relation be improved.

3. Strategic Human Resource Management

- a. Given the international focus of SHRM instead of HRM, to what extent does the organization management support the development of a Strategic HRM? Why?
 - b. How can a Strategic HRM be achieved in organization ABC and what plans and/or guidelines will be implemented? What are the requirements in terms of behaviors competencies, and leadership styles?
 - c. Who are the important players in the process and what is the role of each player?
 - d. How will the national and organizational culture affect the decision of developing a Strategic HRM?
 - e. Based on the type and current status of the organization, which strategies are suitable and/or practiced? Wright and Snell's (1991) six strategies
4. Implications for Project Management
- a. What is the current relation between HR section and Project Management unit and how can it be improved?
 - b. What is the most preferred employment mode of Organization ABC projects, especially HR projects?

3.1.2 Participant Observation

In addition to interviews, this multi-method qualitative study used participant observation to collect data depending on the research questions and objectives. It allowed observing the field from members' perspectives and influence what is observed due to the researcher's participation being a member of the organization which aided in deriving a sense of identity (Flick 2009; Saunders et al. 2009). Advantages of participant observation include methodological flexibility and appropriateness to the situation studied (Flick, 2009). It is preferred over non-participant observation in providing insight to the field from an internal perspective.

The case study participant observation followed the process described by Spradley (1980). At initial stages of the observation, the process was descriptive which actually started from the beginning of the researcher's employment, observing the HRM evolution, in general, and gaining an overview of the HRM field. In later phases of participant observation, the process became more focused and selective in terms of the research objectives and research questions. The data collected from participant observation described different situations and their sequence

in which HR section was heavily involved, the main participants and their activities. Another main observation was the different individuals' emotions involved. Interviewees' behavior and attitude were also studied and observed by the researcher as part of the observation process during the research course.

The researcher was granted management support to conduct the study and, as an employee at the studied organization for over three years, had access and knowledge of key persons in the field. Furthermore, the researcher had the benefit of observing and experiencing the HR system and its impact on employees in the organization for a considerable period of time. The three years of reflective observation solved a major problem of the participant observation method. The researcher, being an employee, observed the maximum number of phenomena in the organization which seldom occur and are crucial to the research questions. Furthermore the social phenomena were observed and studied in their natural context; thus participant observation is highly valid in contrast to observation in the presence of external or foreign observation. Moreover, the extended time period of observation including spontaneous actions and statements are more reliable for data analysis and more likely to reliably reflect on the actual situation rather than a statement or an activity answering an interviewer's intervention and questions.

The greatest obstacle encountered in participant observation was the observer's bias (Delbridge and Kirkpatrick 1994) due to the researcher involvement in the social world which was attempted to be avoided by verification of the observations in the interviews conducted. The interviews and participant observation allowed a highly internal perspective of the field studied, where the combined strategy was an opportunity to adapt to the research issue (Flick 2009).

3.2 Analysis and Interpretation

The qualitative data collected from the interviews, observation and secondary documents was analyzed using detailed case study analysis. The case focused on few key issues to find common themes and increase understanding of the case. The different phenomena and their sequence were analyzed considering the context in which they occur in terms of the research questions and

objectives and the meaning of the issues retrieved from the different methods and lessons learnt are reported in light of the literature review.

The interview analysis adopted an interpretive philosophy methodology, where it studied subjective meanings that HR professionals, management and strategist attribute to their activities and environments which arises from their social interaction (Blumer 1969). The epistemology is inductive and situated within the social science traditions of knowledge which assumed objective reality that can be interpreted by human beings. Fact finding and analysis of the interviews was based on opinions, views and perception measurement, and on the tradition of symbolic interactionism (Flick, 2009), coined by Herbert Blumer in 1938, and developed from the American pragmatism philosophical tradition (Flick, 2009).

Furthermore, actions and interactions including the interviewees' impression and attitude in the interviews were documented for the observation strategy. Video or tape recording was not used in order to provide the interviewee with a friendly atmosphere and encourage spontaneous and unplanned attitude. Analysis and interpretation of the subject were done based on the interviewees' statements, attitudes and further analysis and criticism were done against the researcher observation and knowledge of the field. Data collected was also analyzed based on the factual information such as profession and experience of interviewee, age and period of his/her current role. Furthermore, all data was interpreted against the literature review chapter in the research study.

3.3 The Case Study Organization

The following section provides background information about organization ABC, an overview of practice and secondary document literature on the current status of HRM and Strategy Management in Organization ABC. It also includes project management functions as part of Strategy Management. This is mainly derived from followed policies and procedures established in 2011.

3.3.1 Background Information

Organization ABC is a governmental organization in Abu Dhabi which belongs to a mother organization, Organization XYZ. It has been established since over 40 years. The organization

currently employs approximately 150 employees within 4 different departments where every department consists of several sections. Three main strategic plans were developed since 2008; 2008-2010, 2010-2012, and most recently 2012-2014, and the organizational structure was modified twice; once in 2008, where the HR and Strategy Management sections were established and another in 2011. Below is a rough structure of the organization that was finalized in 2011 explaining reporting lines, communication channels and authority levels. The Executive Committee, possesses full authority in all organizational matter and was established in early 2010 to enhance the organization's management of its resources and increase its performance and productivity.

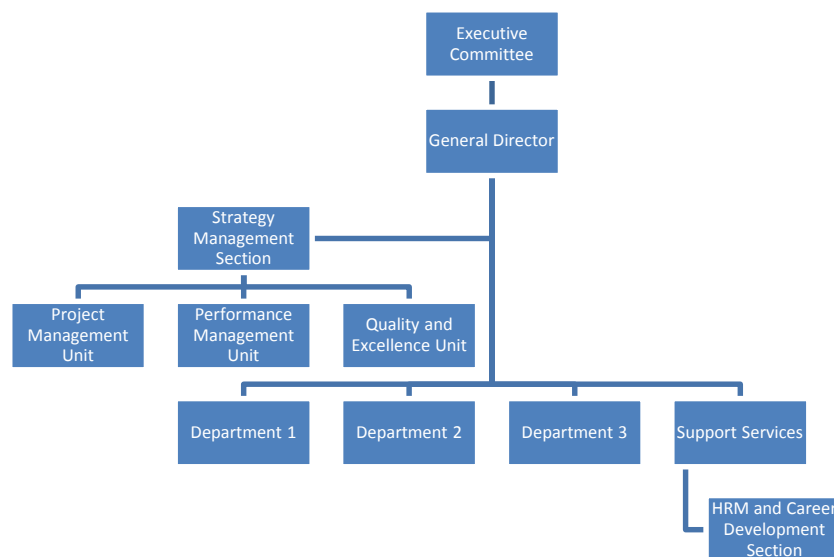


Figure 8. Organization ABC Rough Sucture, 2011.

3.3.2 Human Resource Management

Human Resource policies are influenced by the organizational culture and assumptions (Pinnington and Lafferty 2003) which is the case in most, if not all organizations. Human Resource Management plans in Organization ABC are established to be consistent with the organizational strategic objectives and plans as well as departmental plans for ‘a reasonable time span’ with a detailed plan for 1 year. The latest HRM plan was established in early 2012 being

part of the organizational strategic plan. It includes different aspects such as employment, training, etc.

In terms of employment, an important policy is the ‘Emiratization’ policy which is issued by concerned authorities in the UAE and is implemented country-wide based on national rules and regulations in all governmental entities. The policy states that UAE national candidates, given that they meet relevant job criteria, will have the priority in recruitment and are required to be appropriately and extensively trained and developed depending on their qualifications and personal capabilities. The appointment is further subject to the approval of the Executive Committee.

Moreover, training policies in organization ABC are in line with the strategic and business plan of the organization and aim to provide manpower needs in terms of training and development to increase organizational productivity and performance. Inputs to the decision making process of training plans include performance management system reports, current and possible future job descriptions of employees, and individual qualifications and experience. The organization aims to identify, train and develop those of high capabilities and skills and those who are experts in rare disciplines to respond to future needs of the organization. Furthermore, training officers in Organization ABC study and monitor the impact of training sessions held on job performance considering the training reports completed by the trainees to ensure appropriateness and efficiency of training plans. Organization ABC also provides full support and scholarships for UAE national employees to receive higher qualifications in rare disciplines required by the organization i.e. organizational core business. In addition to the above, initial training is provided to new employees when joining the organization to introduce them to the nature of the organizational businesses in general. Training policies are revised annually based on recommendations and suggestions of stakeholders, organizational needs as well as international training best practices.

As for individual performance, a performance appraisal system is used to achieve the optimal use of human resources in organization ABC effectively and efficiently. Performance appraisal is highly dependent upon the employee annual goals which are set by the employee in collaboration with the direct manager in light of the departmental expectations and its relevance to the organizational vision and objectives. The performance appraisal results provide a basis of other

HR functions such as increments, promotions, training and development. Furthermore, as part of the performance management policy, the employee has the right to appeal against his/her performance appraisal results to the Executive Committee for further reconsideration.

Finally, with regards to employee motivation, employees may be granted a financial reward in recognition of outstanding services and work at any time of the year after completion of business or project assigned. Such motivation procedures should meet certain terms and conditions.

3.3.3 Strategy Management

As mentioned previously, Organization ABC most recent strategic plan was prepared in 2012 for the next 3 years and required the approval of the Executive Committee. It consists of organizational vision, mission, objectives, projects and KPIs, all linked together and is reviewed on an annual basis in participation with departments' managers. The Strategy Management section is responsible to communicate the organizational vision, mission and objectives, to all concerned and utilize all organizational resources effectively and efficiently to achieve them. The policy states that the organizational strategic plan should be in line with the strategic plan and vision of Abu Dhabi 2021, directions of Organization XYZ, previous plans, and feedback of all stakeholders including customers.

Organization ABC manages corporate performance based on Kaplan and Norton's (1992) four aspects of the Balanced Scorecard, through a system which is linked to the organizational strategic and business plan and other administrative systems such as the HRM function, particularly the employee performance management system. The results of the organizational performance management system are used for organizational learning, development, review of strategic and operational plans and projects selection. Also, benchmarking is used to identify best practices to ensure a systematic methodology of organizational performance measurement.

In terms of project management, the strategic project plan is reviewed on an annual basis and requires approval of the Executive Committee. All strategic projects are clearly linked to the strategic objectives of the organization and are managed through a project management system which meets international PMI standards. The system's processes and procedures requires approvals of several organizational sections; however it is not integrated with the HR and

Finance systems. Furthermore, project managers in organization ABC control the human resources or 'team' allocated to the project. Project managers in Organization ABC exists within all departments, however, some projects are managed by the Strategy Management section project managers. In terms of project implementation, Organization ABC outsources certain projects if it does not maintain required human resource and in such cases, the organization aims to build long-term partnership based on trust and mutual benefits. Concerning HR functions, the HR employment policy states that employment candidates from outside the country may be interviewed in coordination with employment agencies of global reputation, however it does not clearly state and explains employment modes of different HR functions.

Knowledge management in Organization ABC ensures appropriate and positive knowledge and information flow and avoids excessive flow of such, internally or externally. It invests in knowledge management projects and other departments are required to participate in the building of the knowledge centre of the organization. Also, the organization studies change management and provides necessary support and resources for the process.

Chapter 4: Results

The following chapter discusses the case study's new empirical data generated by the research activity in two main sections: Research Interviewees Viewpoints and the Researcher's Reflective Observations. It examines the current HRM policies and practices in Organization ABC and illustrates how far Strategic HRM is practiced in the organization.

Results from the interviews reflect the participants' point of views and suggestions based on the different subjects of the interview. It illustrates different issues that interviewees agree upon and where different perceptions are explained in contrast to other opinions. On the other hand, the observation results include different scenarios and the chronological order of the development of HRM and strategy management and other important aspects to bridge the gap between interviewees' results and the discussion chapter to allow proper research analysis and interpretation.

4.1 Research Interviewees' Viewpoints

In general, there is an agreement among all interviewees that almost all local governmental authorities and departments in Abu Dhabi are following civil services HR rules and regulations that was established in 2006 and amended in 2008. HRM in Abu Dhabi is mainly described as 'traditional'. The followed guidelines embraces a comprehensive set of policies and procedures which allows the concerned organization for a certain minor level of flexibility to establish its own criteria to meet any special business needs depending on the nature of work. Most interviewees urged the privileged flexibility except for the HR section manager who proposed a unified and standardized HRM rules and regulations in all local governmental organizations in Abu Dhabi. Furthermore, a local initiative was discussed that aims to centralize HRM systems in Abu Dhabi in order to develop and manage Human Resources effectively and efficiently and achieve international HRM best practices.

4.1.1 HRM in Organization ABC

Interviewees mainly described HRM in Organization ABC as functional and traditional moving slowly towards a strategic direction within the past year or so. HRM in Organization ABC was officially established as an independent section in 2008 following civil services HR rules and

regulations. Few years later, it followed its own internal rules and regulations and then later on, it shifted back to the civil services HRM rules and regulations in addition to some internal policies. Furthermore, according to most interviewees, policies and procedures in organization ABC and the mother organization XYZ are found to be not integrated with each other where clear differences are visible. These were the main reasons behind the problem of 'unclear policies' as described by all interviewees which lead to confusion and instability to both employees and HRM systems, except for the HR manager who contended that organizational and HR policies are clear.

When describing the HRM in Organization ABC, an interviewee stated that there is currently no integration among HR system components, nor there is any integration between HR department and Strategy department in the organization. On the other hand, the HR section manager described the HRM in the organization as a strategic one with components integrated with one another and with the organizational strategic plan, being the only interviewee viewing Organization ABC's HRM as a strategic HRM. Also, all HR employees believed that HR employees are qualified for the current transitional stage although lacking resources, where other interviewees mostly agreed that HR employees are unqualified and that human resources capabilities in organization ABC are not known.

Some other major difficulties that are facing HRM in Organization ABC in accordance to almost all participants includes lack of authority as the use of 'delegation' is very limited, salary inflation influences, employee relationship problems and lack of coherence between planning and execution, where plans are available, however they are not implemented appropriately. Other issues include communication as mentioned by all participants except for the HR manager who described communication with other departments and employees as 'good'. Furthermore, HR employees considered lack of resources, especially qualified and experienced resources, a major setback where others described the problem as 'waste of resources'.

Whereas an HR employee stated that HRM in Organization ABC is mainly responsible for managing employee relationships, another interviewee, being an organizational member, thus a customer to HR, stated that HR employees give an impression of 'being against the employee' instead of building an appropriate employee climate and that the policies and procedures are applied on a selective basis among employees.

Perceptions of interviewees regarding HRM development in Organization ABC in the past 3 to 5 years were very diverse even of employees within the HR section. Some stated that the development started since a year or so, towards a strategic direction, others commented that HRM is ‘standing still’ or 'lagging behind' with the change of HR managers only, where some described HR’s minor development as the redefinition of certain policies’ conditions only. Developments according to HR employees involved HRM system enhancement and configuration that eliminated most paperwork. Furthermore, the frequent change of policies and procedures was viewed by most interviewees as a negative influence to the development of HRM in Organization ABC.

Future plans of HRM in Organization ABC were mainly discussed by HR employees. The current status mainly involves the process of closing the gaps between internal processes. Plans will start from block '0' by entering employees' required data into a new HRM system, clarifying and finalizing the organizational laws and policies and developing HR employees. In terms of developing a strategic HRM, plans include building an integrated management system and employees' job description based on the recent organizational structure in cooperation with the strategic management department, planning and implementing a training and development program, relating all employees objectives and KPIs to the organizational strategic plan and implementing a performance appraisal system that is based on strategic objectives. Interestingly, future HRM plans were not precisely known to one of the junior HR officers who showed an interest in participating in future HRM plans implementation.

4.1.2 Strategy Management in Organization ABC

Participants' views about the Strategy Management section were also discussed in the interviews. Viewpoints were similar in some aspects as it was described by one of the interviewees as ‘very good and can be excellent’. It is agreed that the strategic management section has an important role in Organization ABC; however it is not fully utilized and implemented due to many reasons. Some reasons include lack of authority, frequent change of policies, instability, uncertainty, miscommunication, and lack of strategic awareness causing employees' resistance to accept the new concept of a ‘strategic orientation’. Again, the same junior HR employee did not have a clear understanding of the Strategy Management section's role in organization ABC, for although

cooperation exists between both sections in terms of projects, there is no explicit understanding of the objective of such initiatives.

The recent organizational strategic plan was viewed differently by interviewees. Some interviewees especially from the Strategy Management section supported it, others criticized its poor planning and analysis. Improper communication was one of the shortcomings where it was top-down and lacked feedback. Another was stakeholder analysis especially customers and the Executive Committee who are crucial to ensure approval and efficiency of the plan and for fulfilling the objectives of the strategic management section. In terms of creating a sustainable competitive advantage, some participants claimed that the strategic plan does not create a sustainable competitive advantage for it lacks a long term perspective; however, most senior interviewees viewed it as unique, valuable and a source of competitive advantage if implemented. An interviewee also described the current organizational strategic plan as 'technically good'.

The importance of the relation between both sections was not denied, especially in order to develop a strategic HRM, however, the existence of such relation in Organization ABC received different feedback. Some stated that it does not exist, others described the relation as 'weak'. The HR section manager described the relation as 'good' in terms of the strategic needs of the organization dependency on the human resource availability. Some recommendation involved increased coordination and participation between line managers and including strategic management in training and development plans of HR section employee.

4.1.3 SHRM in Organization ABC

Most participants agreed to the importance of developing a strategic human resource management; however the extent that the organization supports the process is minimal. According to most interviewees, the organization, especially the HR section, does not fully possess the required skills, qualifications, competencies and behavior as well as the authority required to build a strategic HRM, given the current applicable policies, procedures and circumstances. Interestingly, the HR section manager described the current HRM as a strategic HRM and the HR director considered the 'Emiratization' project as an initiative towards strategic

HRM implementation. Also, a junior HR officer stated that the HR components are integrated to one another; however, not to the strategic plan of the organization.

In order to succeed in developing a strategic HRM, almost all interviewees found a need of at least an introductory, if not an in-depth knowledge of the organization's core business for all employees. They also recommended an in-depth knowledge of HR functions for Strategy Management section employees through a cross-departmental training of employees and a close collaboration between HR and Strategy Management sections. However, the Project Management Office unit head in the organization found it difficult to pursue a cross-departmental training due to lack of authority.

Furthermore, a lot of requirements were recommended for developing a strategic HRM. Initially, before project initiation, a gap analysis and a feasibility study must be conducted where advantages and disadvantages of developing a strategic HRM should be analyzed to ensure consistency, necessity and likely success of such a project. Senior management and the Executive Committee approvals are required where their support and commitment is a critical success factor. If approval is granted, a strategy and a plan should be prepared along with clear policies, guidelines and procedures. Also a change management committee including departmental management members, especially members from Strategy Management and HR sections should be established and given authority for implementation of the process. The execution process should mainly involve cascading the organizational strategic plan all the way through to the bottom line employees' objectives where it needs to be reflected on the KPIs of all organizational levels. In terms of communication, the decision making of initiating the project is within senior management authority; hence, a top-down communication channel at the beginning. It should then involve a 2-way communication that is transparent, motivating and coherent with feedback and regular reports to senior management for further decision making. Also, the HR and Strategy Management sections need to be persistent and determined. HR employees found that hiring expertise in such field is necessary for the development of SHRM. Furthermore, most interviewees recommended transformational leadership style; however some suggested all styles depending of the situation.

There seem to be consensus among all interviewees that key players in the change process mainly include high level management to decide and commit to the change and provide support.

Middle management, especially HR and Strategy Management sections will mainly plan, coordinate and implement the change and finally employees should accept the change, participate and interact if there is an opportunity for plan change and feedback. Two statements, however, were out of interest from 2 interviewees. One stated that the Executive Committee is not a crucial stakeholder for the process and another stated that communication should start bottom-up.

Moreover, change managers will play an important role in the project's success, thus flexibility, trust building and strategic awareness is crucial. The national and organizational cultures were mainly interpreted to have an influence on the development of a strategic HRM, causing resistance from employee. However, this is seen as a normal element of any change process and eventually change will be accepted and embraced at a later stage if strategic awareness was developed and the process implementation and presentation was appropriate. As the national and organizational culture is collectivistic, international SHRM best practices should be developed to adapt and meet Organization ABC culture.

To develop a strategic HRM, mainly competence utilization and training was suggested, then competence acquisition especially for core business in case of lack of resources, and competence displacement was not preferred especially for UAE nationals due to 'Emiratization'. As for behavior, view points varied, some preferring behavior coordination for flexibility and others behavior control, yet some recommended a mixed strategy of both depending on the situation or a more dominant strategy. Currently, behavior is more controlled than coordinated and future plans involve more of behavior coordination. Furthermore, mixed leadership styles were recommended depending on the situation with transformational leadership being dominant.

4.1.4 Implications for Project Management

In terms of the relationship between project management and HRM, most interviewees found the link necessary and important, however it is not practiced and implemented where coordination between both sections are weak. According to the interviewees, the nature of the relation would encompass the HR section providing a status report of the availability and qualifications of the organization's employees and acting as a link between project management section and other departmental resources. The resource planning and allocation function should be done at the

project planning stage and should include resource definition and identification based on project requirements to manage relevant project risks and ensure project success. HR section would also aid in providing the required resources i.e. allocation, training and acquisition when required in collaboration with project management office.

A lot of HR projects are being planned and implemented but are considered as 'business-as-usual' instead of 'projects'. A strategic- and project-oriented culture awareness is required and the project management system also require proper implementation and communication of its importance to develop a best practice project management methodology in Organization ABC. In terms of employment modes of HR projects, most viewpoints tend to support in-house employment modes to reduce cost where 'budget is limited'. Organizational core businesses are also recommended to be in-housed and in case of lack of resources, they should be outsourced.

Finally, at the end of each interview, the feeling of de-motivation that most employees are experiencing was discussed. A lot of reasons were mentioned including political and cultural reasons, miscommunication, lack of supervision from middle management, lack of teamwork spirit, waste of resources causing employee frustration and mistrust, lack of budget and management's authority to initiate positive changes, uncertainty and instability due to the long time spent planning and implementing the recent organizational restructure. An interesting point of view considered all these problems arising from a single high level personal or political problem. According to interviewees, this can be solved through transformational instead of directional leadership styles, flexibility, proper communication, corporate governance and personal accountability. Also, faults and shortcomings can be traced through a proper system that ensures all procedures undertaken are lawful and unlawful actions are captured.

4.2 Researcher' Reflective Observation

This section of the results chapter mainly includes the researcher's observation of the organization, during her employment period, starting mid 2008 until early 2012. It provides a chronological order of HRM and strategy management evolution and developments in Organization ABC and different aspects that affected these developments such as communication, authority, etc. The research's participant observation focused on events and

situations that contributed to the research objectives and research questions and their impact on the perceptions of employees and Organization ABC business.

4.2.1 Human Resource Management

The HRM function in Organization ABC was established in 2008. Previously, HR procedures were sent to Organization XYZ for processing and the mother company had all authority in all HR matters such as promotion, employment, training etc. Until late 2011, 5 different HR managers held the same position, each manager not exceeding one year in the same position. Two of the HR managers, the current and previous HR directors were interviewed in this study to gain the optimal understanding of the HRM development in Organization ABC receiving a wide range of different perspectives and opinions.

HRM in Organization ABC was very traditional in the beginning and most employee requests such as annual leave requests were manual requiring hand signatures of the concerned. This allowed faults and errors in procedures. For example, normal procedures for annual leave application require a substitute employee approval to ensure business continuity. However, this was possible to disregard in most instances due to lack of a system that enforced proper procedures. In late 2009, a HRM system was installed that eliminated some paperwork and this marked the start of the HRM development in Organization ABC. Considering the previous annual request application example, the HRM system enforced the proper flow of the procedure.

The HRM plan of the organizational strategic plan 2010-2012 did not include many developmental projects and many were not implemented due to the limited budget, instability and most importantly, the 'stand still' status of the organization during the same period, awaiting the approval of the organizational structure by the Executive Committee. This will be further elaborated on in the next section. Most training sessions, if not all, were held from mid 2010 until mid 2011 and promotions and scholarships were almost non-existing.

The implementation of the organizational structure in mid 2011 solved a lot of pending issues and creating another lot of others. Business started to foster where the organizational structure was known leading to stability. However, it also created de-motivation within employees since the change process and the organizational restructuring project did not follow proper change management processes, especially in terms of communication. The organizational restructuring

project planning and implementation stages were not known to 80% of the employees and the change management committee members' identity were confidential. The final structure was communicated at the end of the project and was enforced upon all employees who were given the right to appeal. Approximately, 25 employees appealed and appeal responses consumed over 6 months time disregarding all of them except for 1 appeal.

Major HRM developments have taken place in the period after the implementation of the organizational structure where HR policies were made clearer. The HRM system was further configured to eliminate most paperwork and all policies and procedures were available on the intranet. After the announcement of the organizational structure, the strategic and business plan of the HR system was developed as part of the organizational strategic plan. HRM projects mainly include employment planning and implementation based on organizational needs, 'Emiratization', building employees' database, and creation of job description based on the current structure. Training and development projects include business intelligence manpower planning, career path development planning and implementation as well as managerial and leadership developments.

Interestingly, the number of HR section employees decreased since 2008 until 2011 from 12 to 8 employees. The main reason was the recent organizational restructure project which eliminated half of HR employees and transferred them to other departments in Organization ABC.

As for employee satisfaction with HRM services, the researcher have observed that HR services in Organization ABC have improved due the increasing stability created by the known direction and strategy of the organization and the existence of an improved HRM system that enhanced delivery of services. However, communication is still a major problem, for although all HR relevant policies and decrees are available on the intranet, a lot of employees are not informed about it and follow traditional approaches in obtaining information. The feeling of mistrust and employee de-motivation caused previously by the 'stand still' status of the organization, especially bottom-line employees continues to fade, however it still exists. Employee resistance is part of all change management and has to be managed and dealt with wisely through proper communication methods.

HRM customer satisfaction surveys were conducted in 2012 and results revealed that 30% of the total number of employees in Organization ABC rate HRM services as ‘good’, others vary from poor to excellent. Unfortunately, previous customer satisfaction surveys were not conducted; hence the satisfaction rate cannot be compared statistically. However, as observed by the researcher, HRM services are improving.

4.2.2 Strategy Management

As mentioned, the Strategy Management section was established in 2008. Being a new function, the first 2 years involved building the framework of the Strategic Management role in the organization via ‘projects’, requiring the installation of necessary systems, portals e.g. project management system, corporate performance system etc. Also, it involved training the concerned personnel of the different roles as well as setting guidelines for various functions within the department. Starting 2010, actual work or so called business-as-usual was planned to commence dealing with other departments requiring information input into the systems. However, as will be discussed below, business was diminished starting 2010.

Initially, the strategy management function was established as a department in 2008’s organizational restructure project and was minimized to a section in the next organizational restructure in 2011. The organizational restructure in 2008 included a lot of changes especially with the introduction of HR and Strategy Management functions. Also, Organization ABC was awarded independency from the mother organization in the same year. A lot of employees were promoted and given the chance to contribute to the growth and performance of the organization.

Later in 2009, a national law was issued that required Organization ABC to change its strategy and business plan and hence; a new organizational restructure and strategic plan was established. Due to poor planning, the organizational new structure that was supposed to be implemented in early 2010 was not approved and out of 35 strategic projects of the strategic plan 2010-2012, only 10 projects were approved. The final organizational structure consumed over 18 months to be established and implemented. This period was very critical in the development of the HRM as well as strategy management in Organization ABC where business in the organization was almost non-existing and employees were frustrated. This was due to the organization lack of

strategy and direction during that period and promises of the unapproved organizational structure of 2010. Also, the organizational budget was very limited during this period which influenced employees' training and development plans as well as strategic project plans execution. Furthermore, rumors and unofficial horizontal communication channels were created which increasingly de-motivated employees.

After implementation of the organizational structure in 2011, business resumed and the direction and strategy of the organization needed to be amended in congruence with the structure; hence the organizational strategic plan 2012-2014 was established in coordination with department and section managers only in Organization ABC. The project was executed internally, sponsored and owned by the Strategy Management section, unlike the previous 2 strategic plan development projects which were outsourced. The strategic plan used previous strategic plans and organizational structure as inputs for the process. Furthermore, workshops and SWOT analysis were conducted and mission, vision and objectives of each department was created along with projects and KPIs required to achieve the strategic plan. The strategic plan created however, required the approval of the Executive Committee for further implementation and the poor stakeholder analysis performed for the strategic plan development project affected the approval process.

With regards to the number of employees in the Strategy Management section, it doubled since 2008 until end of 2011 from 5 to 10 employees in the section and is described as 'sufficient' by the section's manager. The organizational restructure 2011 added employees to the section. However, 3 experienced employees with high level of knowledge and expertise of the profession have resigned from the organization after the implementation of the recent organizational structure due to lack of opportunities for growth and career development, unlike the 2008 organizational restructure.

4.2.3 Other Issues

Authority is a crucial issue in all organizations, as is the case in organization ABC. Despite being over 40 years old, the organization is experiencing high levels of authority changes causing instability and uncertainty. In 2008, the organization gained administrative independency from

the mother company, Organization XYZ, and in early 2012, it was taken back. In 2008, the director general had authority to make many decisions such as promotions, employment, budget decisions etc. however, in 2010, this privilege was transferred to the Executive Committee which was established then. It is worthwhile mentioning that the committee's president managed the organization from distance, being a full-time manager in a different organization. In early 2012, the members of the Executive Committee changed increasing the director general's influence in impacting major decisions.

Being a governmental entity, communication in Organization ABC is mainly top-down where bottom-up feedback is very minimal creating excess horizontal informal communication between bottom line employees throughout departments, a major cause of frustration. As an example, the three organizational strategic plans created were very seldom communicated to the bottom line employees or even reflected in the performance appraisal objectives of the employee.

Furthermore, communication between the Strategic Management section and other departments is very weak, as found in reports of workshops held for the development of the organizational strategic plan 2012-2014. A lack of strategic awareness exists in the organization and the precise roles and responsibilities of the Strategy Management section are not known. Moreover, HR section communication with other departments is also found weak by the researcher as described by most interviewees, although in contrast to the HR manager viewpoint. Miscommunication and the weak relation between departments, especially Strategy Management and HR sections, were disadvantageous to the development of a strategic HRM, a process that requires collaboration, especially between the mentioned sections.

With regards to rules and regulations followed in Organization ABC, these have changed few times since 2008, as discussed previously, being affected by the authority changes. Different set of policies were followed and others were created and used. These caused main delays in the transformation and development of HRM function in Organization ABC.

Chapter 5: Discussion and Analysis

This chapter interprets the data collected from interviews, observation and documentary resources in light of the literature review. It analyzes the HRM level in organization ABC, examines the extent that strategic HRM is developed, provides recommendations for constructing a strategic HRM and finally discusses Project Management in terms of SHRM. It is worthwhile to state that some interviewees, even within the HR section, were extremists in explaining their point of views and the level of knowledge between interviewees about the subject varied depending on their experience and profession.

5.1. Analysis of HRM In Organization ABC

This section elaborates on the HRM function in terms of strategic orientation of the case study organization in light of the literature review. The HRM function in Organization ABC has started to develop towards a strategic direction since mid 2011 as have been observed by the researcher and stated by most interviewees. Considering the recent establishment of HRM in Organization ABC, the current status and the satisfaction rates of the HRM surveys in the organization is acceptable and reasonable.

The high dependence of Organization ABC on its mother organization plays a major role on its authority levels and ability to fully achieve its optimal potential becoming a barrier to the development of a strategic HRM especially considering management approval crucial to the development process. Moreover, being in business for over 40 years leads to several advantages and disadvantages. This should be a source of stability and certainty with all policies and procedures in place. However, this is not the case in Organization ABC. Organization ABC main role have changed in 2008 with the introduction of a lot of business departments such as strategy and HR management sections; hence, the organization can be considered a young one in terms of strategic orientation and development. Furthermore, in order to cope with effects of globalization and the rapid increase in Organization ABC business, according to Akhtar et al. (2008) and Yeung et al. (2008), it will be a challenge to manage change and adjust employees' mindsets due to the influence of national and organizational culture on HRM in Organization ABC (Pinnington and Lafferty 2003).

It is important to consider that Organization ABC policies which have been discussed previously were established in late 2011 and the organizational strategic plan was developed in early 2012 after a period of 'stand still'. Results from the implementation of the plan and policies and attached results can only be generated and monitored in a later stage creating a time lag.

According to the case study organization's description of HRM and Strategy Management practices, policies and procedures, there is a clear integration and consistency between HRM in Organization ABC and the organizational strategic plan across all departments. It is also consistent with Abu Dhabi's strategic plan from a broader view, notably the 'Emiritization' initiative. There is also integration between most HRM functions and components such as training, performance management, increments and promotions. Furthermore, as per the policy, employees' objectives are incorporated with those of the organization. Also, the corporate performance management function is linked to the HRM function, organizational strategic and business plan and HR employee performance management system. However, performance and HRM measures should be tailored to each context where they vary widely in research studies from individual to corporate level. As for the organizational strategic plan 2012-2014, HRM plans include projects that indicate the commencement of the initial stages of constructing a strategic HRM. Also, the annual review of the organizational strategic plan and HRM plans indicates the vision of an up-to-date based on recommendations and suggestions of all stakeholders.

Although the above, especially Organization ABC's policies and procedures, clearly implies that HRM in the organization is 'strategic', justifying the HR section manager point of view, the question lies on the implementation of those policies and plans. As have been mentioned earlier and stated by some interviewees, plans and basic fundamentals are available, but are not implemented. However, with the current status of the organization and the increased authority of the management as well as the availability of a 'strategic' HRM plan, HRM in Organization ABC is heading towards a strategic orientation in terms of Hard HRM.

As for Soft HRM, Organization ABC requires major achievements. Research results portrayed a feeling of de-motivation among most employees. Unfortunately, motivational procedures in the organization are very minimal and are not explored or described thoroughly in the HRM policies. HRM in Organization ABC need to set employee satisfaction and motivation as an objective and

align their interest to the organizational strategy while considering the national and organizational culture. For example, when measuring HR effectiveness at the individual level, individual performance-based incentive will have a positive impact in an individualistic culture (Colakoglu et al. 2006).

Furthermore, Hanson et al. (2002) describes four organizational processes in the strategy implementation process: corporate governance to ensure ethical and transparent practices, organizational structure and controls alignment to the strategy, strategic leadership of change management, and strategic entrepreneurship for organizational renewal and success. The Strategy Management policies in Organization ABC do not include any statement about governance and ethical practices or an explicit strategy of managing change and organizational renewal.

In contrast, Organization ABC maintains a lot of potential to develop a strategic HRM and as has been perceived from the interviews, both managers and employees are willing to adopt a strategic HRM and appreciate the importance of such a strategic initiative. However, a clear direction, proper communication and implementation of plans are mandatory.

5.2 Developing A Strategic HRM In Organization ABC

There is lack of consensus to an explicit definition of SHRM in the literature review, and interviews in this case study proved the same. Most interviewees, if not all, lacked understanding of a strategic HRM concept which explains the different interviewees' viewpoints. In order to develop a strategic HRM in Organization ABC, it is necessary to retain a comprehensive understanding of the field, as an important first step, through seminars, workshops, training etc. In this research, SHRM is assumed to be mainly concerned about linking and integrating HRM with the organization through its organizational strategy.

Several guidelines of developing a strategic HRM are provided in the literature review such as Devanna et al. (1981) and Miles and Snow (1984). Similar guidelines need to be established, based on the research results, and followed considering proper change management. Also, the HR section should possess all competencies and services to manage human resources in this

change process. The Strategy Management section should provide a clear direction of organizational change process, and with a mutual effort, an SHRM can be developed. The importance of HRM during change management should not be underestimated and the need of collaboration between both parties is critical. Furthermore, the development plan should follow a sequence of mission/strategy, tasks, formal structure, people, processes and emergent networks (Devanna et al. 1981).

Organization ABC is considered a young organization in terms of strategy and HR management and other administrative functions. It is important to consider Huselid et al. (1997) observation that organizations need to acquire business-related capabilities and achieve moderate levels of technical HRM in order to build foundations of a Strategic HRM. According to Wright and Snell (1991), when an organization such as Organization ABC, is in the building stage of its life cycle, behavioral coordination strategy is required to specify the behaviors needed at a time of uncertainty instead of behavior control. Also competence acquisition is required to strengthen the potential for growth. However, the organization has been in business for more than 40 years and should be in a mature stage where it is currently implementing behavioral control and competence retention. The conflict between the practiced behavior and competences strategies and the required strategies creates a major barrier to the development of a strategic HRM in particular and to organizational performance in general. Organization ABC should follow behavior control and competence acquisition as well as competence utilization in the HRM section, Strategy Management section and other administrative functions introduced in 2008. On the other hand, behavior control, competence acquisition and even competence displacement are required on the core business functions of the organization.

There is integration between the organizational performance management system in Organization ABC which is based on Kaplan and Norton (1992) Balanced Scorecard and the organizational strategic plan. However, the current appraisal process lacks integrity, specifications, audit and clarity and some appraising personnel (managers) lack required qualifications to appraise their subordinates. Furthermore, the HRM appraisal system itself does not provide sufficient information for individual development such as development plans and training requirements. More attention is required to increase efficiency of performance

management systems in relevance to HRM due to it having a significant effect on the organizational performance.

The strategic plan of Organization ABC process as discussed previously was conducted in collaboration with department and section managers, HR section being one of the participants. Dyer (1983) recommends participation managers with expertise in human resource in the actual decision making where it is crucial to examine the strategic alternatives from a HR perspective against organizational constraints, strengths and weaknesses. According to Devanna et al. (1981) building ownership of the HRM upgrade and development process in all employees is a critical success factor. Bottom line employees in Organization ABC are not aware of the strategic plan indicating a major issue in communication in the organization which requires a comprehensive study and resolution. If the organizational strategic plan and objectives is not communicated well to all organizational members, then the Strategy Management section is held responsible for this action as stated in the Strategy Management policy in Organization ABC and is required to exert more effort in fulfilling their roles.

The process of developing a strategic HRM will face resistance from different employee levels and will consume time as have been stated previously. According to many researchers, the domestic and national culture and the organizational internal context including size, structure, and external: legal, culture, values should be considered. Also, a proper stakeholder analysis should be conducted to manage stakeholders and reduce resistance.

There is no specific HR architecture for managing all employees (Lepak and Snell, 2002) due to variety of skills employees possess that impacts the organization's competitiveness. Furthermore, human capital in Organization ABC, that is both unique and valuable will require a commitment-based HR configuration internal development of employees' skills and competencies where they should be encouraged, rewarded and given job security (Lepak and Snell 1998) and based on Liu et al. (2003) findings, an empowering leadership will be more effective. The HRM policy in Organization ABC maintains some consistency with the above statement were employees of high capabilities especially in rare require disciplines are given opportunity to develop to meet future organizational needs. It is necessary to study the human capital value and uniqueness in Organization ABC across all departments and based on Lepak and Snell's (1998; 1999; 2002) and Liu et al.'s (2003) findings, different HR configurations, employment modes and leadership

styles should be applied. This application should be further monitored for improvement opportunities to adapt it to Organization ABC's culture.

Establishing a strategic HRM can be considered a source of sustained competitive advantage. Colakoglu et al. (2006) recommends considering the local and national cultural differences to create competitive advantage. Nevertheless, creating a source of competitive advantage depends if it is Organization ABC goal to create competitive advantage.

Implementing all of the above will lead to the development of a strategic HRM given the senior management ownership of the process. Developing a strategic HRM should be approved by the Executive Committee as a strategic project that should follow projects' life cycle with approved budget and resources. The attempt to apply this initiative as an operational process without management's approval is a 'waste of resources' and can be politically destructive.

5.3 Implications For Project Management

All strategic projects in Organization ABC are directly linked to the organizational objectives. The recent organizational plan consists of 14 HR strategic projects. The success of these projects will be highly dependent on the collaboration between HRM and Project Management to balance corporate resources and optimize their allocation against projects for the research results indicate that the relation between both parties is weak. Project managers should concentrate on all project success critical elements described by Asrilhant et al. (2006; 2007) especially HRM elements such as learning, employee interest and satisfaction.

Furthermore, as stated by most interviewees, the role of HRM in project management is mainly applied in the planning stage; resource planning and allocation, and in the execution stage in terms of project team training if necessary. The finding is consistent with Pinto and Prescott (1988) observation that the personnel variable had a significant influence on project success in case of a functional organization as it is the case in Organization ABC. According to Belout and Gauvreau (2004) this is due to having a well-established HR department which is not always the case in other organizational types.

A clear understanding of advantages and disadvantages of different employment modes is not available in the organization. Interviewees tend to support in-house employment modes to reduce cost quoting 'budget is limited' where theoretically, the main purpose of outsourcing is to reduce cost and allow flexibility and relevant disadvantages are outnumbered. Organization ABC should consider creating value out of different employment modes. Although, there is no employment mode specific for a particular job, employment modes decision-making should rely on the activity purpose and the human capital value and uniqueness. Therefore, there is a need to define different HR functions types depending on an organization's strategic orientation, HR orientation, availability of delivery options, frequency of HR activities, integrated IT access and environmental uncertainty (Lepak et al. 2005).

Core HR practices should foster a Knowledge-Based employment mode; traditional HR practices require Contract Work Arrangements; peripheral HR practices through Job-Based employment modes and finally idiosyncratic practices should foster alliances and partnerships along with relevant HR configurations and leadership styles of Liu et al. (2003), to manage workers in different modes of employment. HR practices that are significantly important and contribute to the firm's strategy are most likely to be internalized where the competencies and behaviors required should be developed. If Organization ABC does not possess the resources required for a specific project, instead of outsourcing or contractual work arrangements, organization ABC can pursue strategic partnership where the main goal is not cutting cost; instead it is value creation (Carrig 1997). As stated in the HR policy, Organization ABC tends to build long-term partnership with contractors based on trust and mutual benefits. Nevertheless, organizations tend to approach an internal employment mode of most projects given the high risk of work contractual agreement.

Human Resource Management is an important aspect of project management and one of its nine knowledge areas as described in the PMBOK guide (PMI 2008) which is followed in Organization ABC. Strategic projects in Organization ABC are managed through a project management system which meets international PMI standards. However, the system's procedures require redefinition to provide a holistic picture of the requirements of Project Management in Organization ABC and especially the inclusion of HR section in the process. Although there is a debate whether tangible project management assets can contribute to creating

competitive advantage, the application of an external and internal fit system will generate benefits given the understanding of the system is built in the entire organization and not in few people or managers (Becker and Gerhart 1996).

Developing a strategic HRM will improve Project Management in Organization ABC. First, it will strengthen the relationship between both functions which will increase the opportunities of mutual benefits. It will also ensure proper planning and execution of HRM and organizational strategic projects. This in turn will lead to achievement of the organizational strategic plan and increased corporate performance.

Chapter 6: Conclusion and Recommendations

The findings provide a great insight into the nature of HRM practice and the significance of developing a strategic HRM in Organization ABC. The integration between HR components and its alignment with the organizational strategy will have a great impact on organizational performance and the ability of the organization to create a sustainable competitive advantage. HRM, Strategy Management as well as Project Management in Organization ABC need improvement and development based on theoretical understanding in the literature review considering the organizational culture. This process requires close monitoring and a governance policy to ensure ethical implementation.

The development of a strategic HRM in Organization ABC should be considered as a major strategic project. Viewing the process as a project will facilitate its monitoring and controlling stages based on Project Management standards to ensure proper implementation of the project.

There is a gap between what research implies and actual practices in Organization ABC. This might be due to lack of communication between researchers and managers, which requires a deeper qualitative research in this field (Becker and Gerhart 1996) or lack of internal communication and awareness in Organization ABC. As per Organization ABC policies, the Strategy Management section and the Project Management unit should be held responsible for communicating the organizational strategic plan to all employees and creating a culture that is supportive of strategy and project management. It is also important to manage change processes in collaboration with the HR section and not underestimate the influence on HRM on change processes. Furthermore, proper stakeholder analysis should be conducted to facilitate project execution and ensure approval of plans. Organization ABC policies should be reviewed based on international best practices and amended to adapt to the culture and environment of the organization in order to minimize the gap between theoretical and practical implications.

Furthermore, more effort should be exerted to reach consensus for a common definition of Strategic Human Resource Management and Project Management. Following different approaches to define the concepts complicates the measurement of HRM impact on organizational or project management success and measuring the concepts in a relation especially in a strategic perspective (Arthur 1992). A general unified set of components of each

concept that is applicable in most cases should be available for researchers to base their studies upon. Future research should increase consensus on terms implication and definition as well as measures at the different organizational level. The recommended research is complex and should take an interdisciplinary focus.

Also, future researches should focus on the cultural impacts of governmental organizations in the UAE, Abu Dhabi in particular, on communication and authority, being the most important determinants in organizational abilities to seize opportunities created by the growth and globalization of the region. The nature of the national, being collectivistic and slowly adopting an individualistic culture should be taken into consideration.

Moreover, given the 4 employment modes of Lepak and Snell (1998), future studies should concentrate on how the use of different delivery option influences project success and hence organizational performance. Liu et al. (2003) relevant leadership styles should also be explored and examined based on employees' and line managers' satisfaction.

Limitations of this case study research include the inability of the researcher to obtain additional information about the subject in Organization ABC due to confidentiality of such documents. Further research about the subject should be conducted in Organization ABC in collaboration with HR personnel who have access to confidential information. Another limitation is the integrity of some interviewees in providing a holistic picture of the subject during the interviews.

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