# An exploratory inquiry into the Human Resource Management being implemented in Small-Medium Sized businesses:

A study of the implications Dublin cafes may face in the absence of wellestablished Human Resource practices, particularly during times of global crisis

By

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A dissertation submitted in partial fulfilment of the MA in Human Resource Management

**Submitted to the National College of Ireland** 

August 2020

#### **Submission of Thesis and Dissertation**

National College of Ireland

Research Students Declaration Form

(Thesis/Author Declaration Form)

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Degree for which thesis is submitted: Master of Arts in HRM

**Title of Thesis:** An exploratory inquiry into the current Human Resource Management being implemented in Small-Medium sized businesses (Dublin cafes), and the implications they may face due to the lack of well-established HR practices, during times of global shocks.

**Date:** 19/08/2020

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#### **ABSTRACT**

This study is an exploratory inquiry into the current Human Resource Management (HRM) practices being implemented in Small-Medium Sized businesses (SME), in this case, Dublin cafes, in times of global crises. The study will examine the implications, if any, cafes may face in the absence of strong Human Resource practices or personnel. The logic behind this study is to examine four cafes and whether they were sufficiently prepared in terms of Human Resource Management during the on-going global pandemic, Covid-19.

The research will firstly examine previous literature based on HRM and SMEs during times of global crises, such as pandemics, terrorism and natural disasters. The participants involved in this study are a mix of café owners and café employees. The research will be conducted using a qualitative research method in the form of semi-structured interviews. This allowed for the researcher to conduct the interviews in-depth and on a more personal level that the quantitative research method would. The data findings are presented under themes that were produced from the respondent's opinions and thoughts, expressed during the interview process.

The researcher will discuss the data findings and link the findings back to previous literature. Limitations and implications will be evaluated. The research will also offer recommendations for future study.

The study will shine light on current HRM in Dublin cafes, during the turbulent and uncertain times Ireland and the rest of the world are currently facing, due the existing Covid-19 pandemic. Will these businesses learn from the challenges they encountered during and in the aftermath of Covid-19? Will they have crisis plans in place and will they establish relevant HR practices to adequately manage employees? Covid-19 has changed the workplace as we know it, HRM will also inevitably be significantly impacted. The relevance of this study will be to examine how these SMEs are coping during these unsettling times.

#### **ACKNOWLEDEGMENTS**

I would like to demonstrate my sincere appreciation and gratefulness to my supervisor, Bronwyn McFarlane for all her support, feedback and direction throughout the production of this dissertation.

I would like to earnestly thank all the participants for taking part in my research. They enthusiastically spared me their time and shared their opinions and thoughts, openly and charmingly. They shared their unique experiences of owning/working at small Dublin cafes, while also sharing their personal Covid-19 experiences, which gave remarkable insights.

Very special thanks to my mother, who continuously motivated me and gave me hope throughout the whole dissertation process. Her faith in my ability enabled me to remain committed to finalizing my dissertation, chapter by chapter. I will be forever grateful for your infinite wisdom.

Lastly, a very special thank you my boyfriend and to my family, particularly my two grannies Molly and Anne, who continuously support, encourage and believe in me.

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#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Introduction

This study is an exploratory inquiry into the Human Resource practices being implemented in Small-Medium sized businesses and the implications, if any, they may face due to the lack of strong or well-established HRM during times of global shocks. In agreement with Boxell and Purcell, the researcher believes "HRM matters", not only is it importance for healthy employee-employer relationships, it also prepares organizations for unexpected crises and ensures communication with employees and all other HR duties, are dealt with efficiently and professionally during a crisis.

The researcher has an interest in the area of HRM in SME's in general, as they have previously been employed by both a multinational company (MNC) and several SMEs, mainly cafes. The researcher could recognize differences in the strength of HR practices being implemented in both sectors. It is evident that small cafes generally do not focus on HRM as much as MNCs, but the researcher had an interest in exploring the subject in more detail. When Covid-19 arrived to Dublin in March 2020, the researcher lost their job due the pandemic. They noticed the lack of HR skills present during their whole "termination" process. This event set forth the idea of examining the implications SMEs may face, when destitute of strong HR practices, during times of crisis.

The study of global shocks and how they impact businesses and HRM began in the late 1900s in the aftermath of some major natural disasters in the USA. In recent years, disaster studies of this kind have been conducted due to global crises such as 9/11, hurricane Katrina and pandemics, such as SARS (Asgary, Anjum and Azimi, 2012). Many previous studies have been carried out in the US. As stated by Zhang, Lindell and Prater (2008), crisis research has been disproportionately focused on impacts on families, households and government services.

This study will focus on SMEs (cafes) in Dublin during the current pandemic, Covid-19. The researcher believes there is a huge research gap in this research area, as the study is focusing on Dublin cafes during Covid, which is currently on-going. Therefore, the study is significantly worthy as it is both, relevant and novel.

#### 1.2 Research Question

#### 1.2.1 Research Aim

This research is an exploratory inquiry into the challenges faced by SMEs in the absence of well-established Human Resource Management during global shocks/crises. It will examine the importance of HRM in SMEs and how the lack of HRM in SMEs may be detrimental in times of global crises, such as Covid.

#### 1.2.2 Research Objectives

- (i) Do SMEs (cafes) in Dublin implement appropriate HRM strategies and/or employ HR personnel?
- (ii) What are the reasons, if any, behind SMEs not having sufficient HR practices or personnel in place?
- (iii) Does the absence or lack of HRM in SMEs have an impact on employee-employer relationships?
- (iv) Do SMEs plan for global crisis situations (crisis-planning)?/ Would it be easier for SMEs to cope with crisis with implementation of stronger and relevant HR practices?
- (v) What are the main problems SMEs face, in terms of HRM, during global crises?

All in all, the researcher agrees with the following statement: "there are risks and costs to a

program of action. But they are far less than the long-range risks and costs of comfortable

inaction" (Fitzhenry, 1993, p13). In saying that, there are reasons as to why SME owners do not

implement appropriate HR practices and crisis planning, which the reader will gain a more

detailed and effectual insight into later in the research.

1.3 Structure of Research

This research will be divided into six chapters in total. Each chapter will give the reader insight

into SMEs, HRM and global crises, with particular focus on Covid. The research will illustrate

the views and opinions of Dublin café owners and employees.

Chapter One: Introduction

This chapter will introduce the study, including the research aims and objectives. It will give

some insight into the background and the motivation of the study and why the topic was chosen.

Chapter Two: Literature Review

This chapter will underpin and analyse relevant theories and literature. It will critique the

literature and divide it into four different themes. The researcher will state the importance and

relevance of the previous literature chosen and will link it to their own study.

Chapter Three: Methodology

This chapter will illustrate the chosen methodology and justify why it is suited to this study. It

will consider alternative methodologies and will explain why they are not best suited to this

particular project. The researcher will also demonstrate their philosophical positioning in this

chapter. The researchers own ontological and epistemological experiences have influenced how

the research was conducted.

Chapter Four: Findings

This chapter is focused solely on facts. It will quote the participants questioned and will highlight

the main recurring themes that emerged during the interview process.

Chapter Five: Discussion

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This chapter delves deeper into the analysis of the findings. Literature from chapter two will be linked to the findings. The findings will also be linked to the original research objectives.

Limitations of the research will also be discussed.

Chapter Six: Conclusion and Recommendations

This chapter will draw conclusions and summarize the research. Recommendations for future study will also be mentioned.

Chapter Seven: CIPD Requirements

This chapter will fulfil the three requirements of the CIPD. Recommendations, Implications of Findings and a Personal Statement.

## 1.4 Summary

This chapter has given relevant insight into the background of the study and the researchers aims and objectives concerning the study. It also highlighted why the researcher believes this study is relevant and important, while also recognizing the research gap that is inevitably present. The structure of the research has also been displayed.

The next chapter will review appropriate literature surrounding the research topic.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This research is an exploratory inquiry into the HR practices being implemented in Dublin cafes and the implications they may face in the absence of strong HR during global crisis, such as Covid. SMEs prove to be of significant importance in today's society, particularly in industries where innovation is a key factor, this is due to the flexibility and boldness most SMEs hold. On the other hand, SMEs may be less successful in industries where resource management or human resource management for instance, are vital to the organizations success (Stankovis, Mrdak and Stojanovic, 2018). Human Resources entails many aspects, each area could not be possibly covered by this research. The literature review will first briefly explain what the term 'global shock' entails. This chapter will then be broken into four main themes: (i) HRM in Context (ii) communication (iii) crisis planning and (iv) the psychological contract.

Although this research is focused on the current pandemic, Covid-19, the researcher studied appropriate literature involving three different crisis areas: pandemics, terrorism and natural disasters. Although they are different types of 'global shocks', they all have similar effects on SMEs that are affected by them. Therefore, literature on SMEs during terrorist attacks, for example, mirror literature written on SMEs during pandemics. Although the research and findings accomplished in this dissertation is solely focused on pandemics and HRM, the researcher will explore previous research of the three areas named above in the literature review. This will allow for both, the researcher and the readers, to gain a better understanding of global shocks/crises and HRM, as focusing on pandemic literature alone would perhaps be limited.

The study of global shocks and how they impact businesses and HRM began in the late 1900s in the aftermath of some major natural disasters in the USA. In recent years, disaster studies of this kind have been conducted due to global crises such as 9/11, hurricane Katrina and pandemics, such as SARS (Asgary, Anjum and Azimi, 2012). Many previous studies have been fulfilled in the US. This study will focus on cafes in Dublin during Covid-19, where there is inevitably a research gap. The focus of this research will stem down to the impact Covid-19 is having on small Dublin cafes in the absence of HRM and crisis planning. As stated by Zhang, Lindell and Prater (2008), crisis research has been disproportionately focused on impacts on families, households and government services. This research hopes to shine light on Covid-19 and how it is currently affecting Dublin Cafes and how they hope to manage in post-Covid-19 times.

#### 2.2 What is a global shock?

According to Tiwari and Zaman (2010), our world is in a state of constant change, we are globally connected more than ever before. The dimensions of connection that are mostly recognised are those associated with richer, first world countries. Wolf (2014), recognises these shocks associated with first world countries, outlining that, the economic and financial crises of the Western world have changed the entire world. He states that when shocks occur, the people affected are required to make changes to prevent this event occurring again. Wolf suggests that global shocks change how the world and its economies operate post shock. Wyman (2011), agrees with Wolf, that the world is more globally connected nowadays than it has ever been. Wyman describes global shocks as, events that cause systematic shocks within global societies. These shocks can occur in a variety of systems including, financial, natural, technological, social and political. The author continues by saying that these shocks can travel globally via financial markets, terrorism, natural disasters or even on an aeroplane carrying people who have been infected with an unknown virus.

#### 2.3 What is the role of Human Resources in times of global shocks?

During times of crisis, not only does HR play a role in the maintenance of effective employeeemployer relations through communication and ensuring the psychological contract is being implemented, HR also play a significant role in crisis planning and management, which deals with the organisation's preparations for global shocks. According to Athamneh (2012), HR play an active role in planning and training for crisis management. Monica and Raluca (2008), in agreement with Athamneh (2012), state that HR development is promoted as a vital element of the planning and preparation to respond to and inevitably manage crises in organisations. What are the implications for SMEs in times of global shocks and crises who do not have HRM personnel or procedures in place?

There are many examples of recent global shocks that have had significant knock-on effects for the regions and the people affected. These effects also negatively impact SMEs. In the absence of strong HR practices and crisis management, the effects can be quite detrimental. The following sections will delve deeper into HRM in SMEs during crisis times and whether lack of HRM can have a detrimental impact on a business. The following section will briefly describe Pandemics, Terrorism and Natural Disasters and will outline how these global shocks can impact a business, particularly businesses with little or no HRM in place.

#### 2.4 Pandemics

According to the World Health Organisation (WHO), a pandemic is the global spread of a novel disease. Morganstein, Fullerton, Ursano, Donato and Holloway (2020), argue that pandemics have historically been more devastating than any other type of disaster. They believe that pandemics have a global reach that causes mass destruction. Horimoto and Kawaoka (2005), in agreement with Morganstein et al, state that pandemics in the past have had significant economic repercussions. Flahault and Zylberman (2010) state that, epidemics occur on a regular basis. The authors affirm that, the orchestration of global efforts to reduce the risk and impact of global shocks, is significantly affected by the potential for underreation and overreaction.

There have been pandemics before Covid-19. According to Lau (2007), Severe Acute Respiratory Syndrome (SARS) has been recognized as the first global epidemic of the twenty-first century. The disease began in Hong- Kong in 2003 and spread to other parts of Asia, Europe and the United States. Lau states that SARS had a prolonged impact on people's everyday lives, particularly in Hong Kong where the outbreak originated. According to Cheng (2003), long after the World Health Organisation (WHO) declared Hong Kong SARS free, people continued to isolate in their homes, engage in prevention acts, such as the sterilization of personal environments and pursued the use of surgical masks while out in public places. As stated by Rubin (2009), from April 2009, the world faced another pandemic, H1N1 Influenza, commonly known as the Swine Flu. Ricci (2009), states that the rapid spread of H1N1 from Mexico to the

US, Asia, Europe and most parts of the world within a few months, highlighted the interconnected nature of infectious diseases in the 21<sup>st</sup> century. As mentioned by Baxer (2007), HIV/AIDS is the worst infectious disease catastrophe in history, affecting millions of people.

SARS, H1N1, HIV/AIDS, and other infectious diseases linked to global pandemics, have proven to change the behaviours of people. Many multinational companies now have strategies in place to deal with global shocks, including pandemics. According to Baxer (2007), multinational corporations (MNCS) must play close attention to global shocks, examine best practices currently in use by the business and adapt best practices to the situation they are now facing. This will allow them to gain competitive advantage and maintain a practical workforce. Taylor and DeYoung (2003), in agreement with Baxer (2007), outline five main areas of a business that are vulnerable to pandemics: (i) the businesses workforce (ii) its customers (iii) its capital cost (iv) its reputation and (v) its business environment. The above five vulnerable areas, mentioned by Taylor and DeYoung, also applies to small-medium sized businesses, although smaller businesses are not as prepared as MNCs. This can have a detrimental impact on the businesses and their staff.

#### 2.5 Terrorism

Terrorism has emerged as a major global concern in recent years, particularly in the twenty-first century, causing shocks around the globe. There is no universal term to describe terrorism.

Williams (2004, p7) states that terrorism is, "politically (including ideologically, religiously or socially- but not criminally) motivated violence, directed generally against non-combatants, intended to shock and terrify, to achieve a strategic outcome." Kydd and Walter (2006) argue that terrorism sometimes "works", by delivering the desired results to the terrorists involved. The authors state that between 1980 and 2003, terrorism was so successful that, half of all the suicide terrorism campaigns were shortly followed by significant compromises by the targeted governments. Kydd and Walter suggest that terrorists use intimidation strategies to gain social control over populations. The terrorists achieve this by using violence and the threat of future violence. Abrahms (2006), disagrees with Kydd and Walter's belief that terrorism "works".

Abrahms explains that civilian-centric terrorist groups do not achieve their aim as they miscommunicate their policy objectives. Target countries will, more likely than not, believe that an attack on their country means the terrorists have the desire to destroy the country's society

and values. An example of this is the 9/11 attacks on the United States. U.S. civilians did not show concern about al-Qaida's demands following 9/11, in the aftermath of the attacks, civilians solely focused on the harm the terrorist group caused on their society and values (Abrahms, 2006). This brought the US closer as a nation.

Neria, Gross and Marshall (2006) maintain that, regardless of terrorism working or not working, the events that unfolded after 9/11 and the ensuing terrorism occurring around the globe have created exceptional fear and anxiety worldwide. Nesser, Stenersen and Oftedal (2016), in agreement with Neria et al, state that terrorism has created fear and anxiety throughout the world. The authors confirm that there has never a higher number of terrorist attacks per year than the ones that took place during 2014-2016. More people have been killed in Western Europe during 2016-2014 (273 people) than in all previous years added together (267 people). This has resulted in an escalating threat climate. This threat climate, caused by terrorism, is also distinctly present in the workplace. Howie (2007), states that terrorism is carried out against non-combatants and targeted the workforce on 9/11, when terrorists directly attacked a place of work. The author also points out that the Madrid and London terror attacks targeted people en route to the workplace. Poe (2001) demonstrates that acts like the above cause anxiety for workers as they were not accidental victims, they were targets by design. When employees and workplaces are affected by terrorism, inevitably HRM is also impacted.

Tunica (2008) states that since 9/11, the importance of HR has increased dramatically. The author states that HR has significantly changed since the attacks. While HR was once focused on individual employees and their productivity, it is now also based on strategic human resource management (SHRM). Hustad and Munkfold (2005), illustrate that SHRM involves focusing on competence development, human learning management, knowledge management and learning organisations. This is an example of how a global shock had a knock-on impact on HRM, adapting and expanding it from its original form.

#### 2.6 Natural Disasters

Galambos (2005) states that a natural disaster is an ecological occurrence that occurs suddenly and is of enough immensity to require external aid. Galambos explains that natural disasters are so devastating due to their suddenness and magnitude. The disaster leaves the affected area unable to respond efficiently (Galambos, 2005). Alexander (2018), in agreement with Galambos, believes natural disasters leave a devastating impact on those involved, stating that 95% of natural disaster deaths occur in the Third World, which has the population of more than 4,200 million people. In saying that, it is not unheard of for natural disasters to affect people of the First World. while speaking about the 2010 Volcanic Ash disaster, Alexander (2013) pointed out volcanic eruptions occur based on geographical control, not at humanity's command. Due to this volcanic ash cloud, Europe was seriously affected, with more than 8.5 million passengers stranded and commerce negatively damaged. The UK were one of the worst impacted countries (Alexander, 2013). Another example of a natural disaster is Hurricane Katrina. The hurricane struck the US Gulf Coast on the 29<sup>th</sup> of August 2005 as a category 3 hurricane, causing unprecedented damage to many communities in Louisiana and Mississippi (Brunkard, Namulanda and Ratard, 2008). According to Erburu, Ruz and Arboledas (2013), efficient communication is a vital aspect of organizational success, particularly during times of anxiety and uncertainty. During a crisis, HR personnel are expected to show empathy and understanding while also acting confidently and persuasively (Erburu et al, 2013). This leaves the research with the question, what exactly occurs when an employer is not sufficiently equipped with the necessary HR skills to efficiently manage their employees during a crisis?

#### 2.7 HRM in Context

#### **Arguments for and against HRM**

This section will begin by investigating contemporary and traditional literature underpinning human resources and the role it plays in small to medium and large businesses. It will examine the implications of not implementing strong HR practices and the problems small businesses may face due to this, particularly during times of global shocks. This section will identify a variation of content to lay the foundation of the research question. It will also give the author the

opportunity to examine solutions to problems that may present themselves and will also highlight the possible need for the modification of specific factors that impact the author's outlook. According to a recent survey carried out in the Irish Times, more than 60% of SMEs do not have a HR function even though more than 90% consider it vital. The main reason for not having a HR function is cost and the organization being considered "too small." (The Irish Times, 2015). Many SMEs often have a HR function interwoven into the operational management role. They are too small to have a HR department as such, but HR decisions are made by the business owners or the managers.

#### 2.7.1 What is a small to medium sized business?

According to Chatterji (2012), if you have fewer than 500 workers, you can be categorized a generic small business. Newstex (2013), agree that a small business is, a business consisting of 500 employees or less but states there are exceptions as size standards assigns different definitions of a small business to every industry. Stankovic, Mrdak and Stojanovic (2018) state that small-medium organizations have many advantages including, independence, flexibility, innovation and self-discovery. In saying that, the authors mention some disadvantages small-medium organizations may face. For instance, lack of knowledge and enterprise, lack of managerial skills, vulnerability and a higher exposure to risk, uncertainty of income and the height of stress and responsibility that comes with managing the organization (Stankovis, Mrdak and Stojanovic, 2018).

#### 2.7.2 What exactly, is the role of Human Resources?

According to Baron (1996), Human Resources deal with an array of issues in any department, including but not limited to, training, recruiting, the termination of contracts, conducts orientation days, handles administrative matters and deals with legal documents and issues. Human Resource Management can be defined as every activity associated with the management of people in organizations (Boxall and Purcell, 2008). The following literature displays opinions in favour of and against HR in small firms.

Firstly, this section will look at opinions that support the researcher's outlook that smaller firms would benefit from stronger and well-established HR practices. According to Deshpande and

Golhar (1994), if a company wish to be successful; a small firm requires highly motivated, skilled and satisfied workers. They argue, developing on the above, an organisation must implement a relevant HRM strategy. The authors state that recruiting, motivating, and retaining employees is a reoccurring problem for small organizations. Joyce (2007), in agreement with Deshpande and Golhar states, although small to medium business owners do not usually have a HR department, it does not mean they do not need assistance when it comes to HR practices. Joyce believes that having Human Resource practices greatly improves the longevity and greatness of a business. As mentioned by Lim, Wang and Lee (2017), coinciding with the above illustrate, a human resource strategy helps organizations as they emphasize human capital and enhance organizational performance.

There are many who believe HR is not necessary for a small business to thrive. Chatterji (2012) states many small business owners are not looking for growth. They are looking for a steady job and to be their own boss. Russ (1986) asserts, the human resource function is little more than an overblown clerical service and is not deserving of the time and money devoted to it. Many business owners, particularly small business owners, view HR as an unnecessary cost. Pudlowski (2009), in agreement with Chatterji and Russ, indicates that the HR function can be the largest and fastest growing cost an organisation may face. Peccei, Van de Voorde and Van Veldhoven (2013), agree that HRM is time consuming. They also suggest the concept that employees under HRM are required to work harder, have less control around work related issues and find themselves under a greater amount of pressure at work. Arguing against Joyce (2007), who mentions small firms require HR, Wilkinson (1999) suggests small-medium sized firms do not require HR strategies as there is usually a family-like environment in small businesses, leading to open communication channels and flexible working practices.

Arguing against Wilkinson (1999), Sisson (1993), states the lack of HR in small firms can easily lead to conflict, authoritarianism, instability and informality. Although Human Resources takes up time, creates an extra cost for a company and can, at times, place employees under pressure, it could be argued that the long-term benefits outweigh any problems initially associated with the creation of HR structures. As mentioned by Chadwick and Dabu (2009), human resources are strategically significant in many ways. Having a strategic HR plan allows for the business to flourish and gain competitive advantage. Greenidge, Alleyne, Parris and Grant (2012), agree

with Chadwick and Dabu, stating HRM practices play a major and crucial role in developing and sustaining the competitive advantage of a small firm. The researcher believes employees also benefit from human resource management activities. According to Edgar, Geare, Jing and McAndrew (2015), people management activities enhance employee well-being while also enhancing the quality of the organisation. In disagreement with Peccei et al (2013), who state HRM can cause unnecessary pressure for employees, Sparks (2001) agrees with McAndrew regarding well-being, he suggests HRM reduces harmful stress as it provides job security for workers. Adding to this, Marescaux, De Winne and Luc (2013) suggest, as well as job security, the implementation of HRM practices creates job satisfaction, work engagement and lower turnover rates amongst employees which inevitably has positive knock-on effects for the organisation.

All in all, although there are arguments as to why a business may not need a human resources structure, the researcher believes there are many benefits for a small-medium business having these structures in place. According to Nyamubarwa and Chipunza (2019), small-medium sized firms are the same as large firms but on a smaller scale. They argue, what is ideal for a large company, is ideal for a smaller one. Therefore, small to medium sized firms should implement the same human resource practices as larger firms, on a smaller scale. The research aims to explore the reasons why HR is necessary for small firms to operate, succeed and thrive. It will also explore the implications SMEs are facing during the Covid-19 pandemic, and how they will deal going forward, in the absence of strong HRM.

#### 2.8 Communication

According to Kernan and Hanges (2002), when managers give employees accurate and useful information regarding the organisation, using clear communication, uncertainty is usually lower. Clear communication results in the employee understanding what is expected of them. On the other hand, misalignments between manager and employee ideas of HR practices occur where there is poor communication, which is usually caused by substandard HR skills. When managers are unclear or insufficient in their message, there is less clarity and less employee satisfaction (Den Hartog, Boon and Verbug, 2012).

For SMEs, who have very little HR structures in place, employees may feel like there is little or no communication or clarification from their employer. Therefore, negatively affecting the employer-employee relationship. This may cause feelings of uncertainty and insecurity for the employees. This idea is addressed in Herzberg's Motivation Factors, under the heading of 'displease' factors (Hertzberg, 1959). Herzberg states that 'displease' factors include, job security and relationship between employer and employee. As stated by Carmeli and Tisher, 2005, in agreement with Erbulu et al (2013), communication between employers and employees during crisis is vital. The authors state that a positive reputation amongst the public benefits the organization in several ways. Some of these benefits are, attracting customers and top employees, improving overall financial performance and gaining a competitive advantage.

According to Coombs and Holladay (2005), how an organization communicates post-crisis could potentially repair it's reputation. In agreement, Bowen and Ostroff (2004: 208) believe, "in order to function effectively in a social context and make accurate attributions about a situation, an employee must have adequate and unambiguous information."

Lack of HRM or HR skills, may result in SMEs owners struggling to communicate effectively with employees, leading to uncertainty. Surely, one could argue that, having HR measures in place would prevent the lack of communication and would aid in helping employees during and in the aftermath of the crisis. Argenti (1996) outlines, in today's world, organizations face a dilemma. They put more emphasize on how to create and sustain a happy workface than thinking about how they communicate with employees appropriately. In agreement with this, Sweeney (2002), believes that a successful communication system is vital for, not only organizational tasks, but also for sharing relevant information internally and externally. Adding onto the above, Hindi et al (2004) emphasizes, internal communication allows the organization to achieve its goals through satisfied employees. Dolphin (2005, p27) sums up what communication during a crisis consists of, he states that internal communication is to,

"build and nourish employee relations, establish trust, providing timely and reliable information and thereby contributing to general motivation, particularly in times of change and stress."

#### 2.9 Crisis Planning

Certain SMEs simply make the decision to not implement HRM and crisis planning, while others have viable reasons as to why they cannot implement certain HRM practices. According to Watkins, Cooke, Donovan, MacIntyre, Itzwerth and Plant (2008), it is typical for a smallmedium sized business to neglect preparation for a pandemic or any other crisis. In comparison to large firms, who consider it a necessity to plan for a pandemic due to the large-scale consequences it would face if a pandemic were to occur (Watkins et al, 2008), these firms also have HRM measures in place to deal with crisis planning. In saying that, can it be argued that small-medium sized firms have no preparations in place because they believe there will be no consequences if a pandemic was to arise? Watkins et al (2008), state that their findings suggest that small-medium sized firms fail to prepare for a crisis due to lack of awareness of the potential threat of a crisis. DeZwart, Veldhuijzen, Elam, Aro and Abraham (2007) and Lau, Kim, Tsui and Griffiths (2007), argue against Watkins et al stating, most small-medium firms believe that they would face detrimental consequences if an influenza pandemic was to occur. Watkins et al, agrees with Pudlowski (2009), Chatterji (2012) and Russ (1986) (from earlier in the literature review), who state the HR function can be the largest and fastest growing cost an organisation may face. As mentioned by Athamneh (2012), previously in this literature review, HR takes on the vital role of planning and training for crisis management. Most small-medium sized businesses have little or no HR practices in place, meaning there is an absence of crisis management. Watkins et al (2008) confirm in their research that, small-medium sized firms simply do not have the resources to plan for crises, they face a significant cost barrier.

What are the implications for SMEs in the case of having no strong HRM practices or crisis plans in place? According to Spillan and Hough (2003), individuals in today's society understand they will probably face some type of hardship or difficulty in their lives. This means that people are, more likely than not, to plan for crisis and pursue ways to minimize their footprint. The authors state that the potential implications crises may bring with them indicates that businesses have a responsibility to appropriately plan for crises, to minimize its impact on the running of the business. Kruse (1993) points out, although the chance of a crisis destroying a small-medium business in its entirety are slim, there is a higher change that a crisis could significantly disrupt the businesses operations. According to Monica and Raluca (2008), the way an organization

respond to a crisis and its capacity to deal with it, plays a vital role on its short and long-term survival. The authors argue that the resources funded in HRM practices, to change the culture of the organisation so it deals accurately with crisis circumstances, benefit the organisations both ethically and financially. All in all, "there are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction" (Fitzhenry, 1993, p13). It could be argued that small-medium sized businesses should have HRM practices in place, including crises planning, to protect themselves from potential global crises.

Caponigro (2000) states, that although it is proactive for an organisation to be prepared for unforeseen crises, many small-medium sized businesses are unable to spare the time to plan for a crisis as they are preoccupied with other duties, that absorb all of their time. Spillan and Hough (2003), argue against Caponigro, pointing out that lack of crisis planning can be detrimental to a small business. The authors suggest that the business should weigh out the difference between the cost of crisis planning and the potential costs of the failure to plan (Spillan and Hough, 2003). Chanen (2002), uses an example of the closure of a small law firm after the 9/11 attacks. Jeffery Lang's office was indefinitely closed after the attacks. Due to Langs failure to plan for a crisis and having no HRM practices in place, he was left struggling to develop a plan to reopen his law firm, while working from home. This impacted areas such as, productivity, motivation and work-life balance, to name a few. Alexander (2004), explains that the threat of terrorism perceived in the aftermath of an attack is proven to have a negative impact on employers and employees. The effects caused by this can take months and even years to overcome, the failure to have HRM strategies in place could lead and has led to small-medium sized businesses closing their doors permanently (Alexander, 2004). Crisis response strategies, meaning, what HR says and does after a crisis, have been studied by various researchers (Coombs, 2007). As outlined by Coombs, 1995, crisis response strategies have three main criteria: (i) shaping features of the crisis (ii) changing beliefs of the organization in crisis and (iii) reducing the negative effects caused by the crisis. The above requires the relevant HR and crisis personnel, which the majority of SMEs do not attain.

Asgary et al (2012) suggests that, small businesses frequently have little or no capacity to recover in the aftermath of a crisis. The authors suggest that some of the reasons for the failure to recover after a disaster for small businesses include, not having the ability to absorb the risks and

impacts of the disaster. This is due to the business only have one location and a small number of employees, for example. The authors highlight, in agreement with the ideas of Caponigro (2000), that SMEs are less likely to plan for a risk or have a risk reduction plan on hand through business continuity planning. Certain factors will influence a SMEs ability to cope in crisis situations. These factors include: the size of the organization, whether the organization is new or old, whether the owner is renting the premises or owns it, whether the organization is located in the city or countryside, for instance (Dahlhamer and Tierney 1999) (Kroll, Landis and Stryker, 1991) (Webb, Dahlhamer, Tierney, 1999).

### 2.10 The Psychological Contract

The psychological contract, a framework often referred to in HR literature, is of high importance when attempting to understand the employer-employee relationship. Morrison and Robinson (1997) describe the psychological contract as, an employee's understanding of the reciprocal responsibilities between the employee and the organization they work for. These responsibilities are based on perceived promises, that Robinson suggests, the employer is usually unaware of. Maslow (1943), illustrates on his hierarchy of needs that the most important needs are physiological and safety needs. Schouten, Callahan and Byrant (2004), note that the addressal of an employee's physiological and safety needs is particularly important in the wake of a disaster, such as terrorism or any other crisis. When the psychological need of safety and security is breached, during the aftermath of a terrorist attack for instance, employees may be quick to blame their employer as it is the employer's duty to keep employees safe (Malik, Abdullah and Uli, 2014). This may lead to employees feeling resentment towards their organisation in the aftermath of a terrorist attack, having a knock-on effect within the business, affecting productivity and the organisational culture overall. Richard (2009) explains, in addition to their own issues, small business owners will be faced with the issues their employees may face during times of crisis. These issues include, loss of income and job security due to the crisis. There may be more social problems during and in the aftermath of a crisis, such as depression and stress amongst employees (Picou and Martin, 2006).

The above puts emphasis on the importance for organisations of all sizes, to ensure their employees feel safe and secure at work. Those organisations failing to implement HR strategies

may also fail to address the psychological needs of their employees, as this is an aspect usually dealt with by HR. Hence, the research question, what implications do small-medium sized businesses face in the absence of strong HRM, particularly during global shocks? Lack of well-established HR practices may lead to employees feeling insecure as certain human needs may not be met. Also, without HRM strategies or plans in place, the business may close indefinitely.

#### **2.11 Summary**

According to Pin (2013), the roles and decisions of HRM adapt to the everchanging global economic cycle. Appropriate communication and policy in crisis situations, from employers to their employees, is of high importance. This is the strategic role HR are expected to adopt when dealing with a change in the economic cycle. It is clear from the above, global shocks/crises, of all kinds, can cause a wide range of issues for SMEs. As mentioned throughout the literature, certain SME owners simply do not have the time or financial means to prepare for a crisis prior to the crisis event occurring, whereas some simply do not feel like planning is necessary at all. Different opinions from SMEs owners can be examined. The issues SMEs face during crisis times, that reoccur in the literature, may been prevented with the use of appropriate HRM measures. Ensuring there are certain HRM practices in place such as, crisis planning and promoting effective communication with employees, sustaining their psychological needs are met, would benefit a SME greatly during uncertain times.

# CHAPTER THREE METHODOLOGY

#### 3.1 Introduction

This study is an exploratory inquiry into the human resource practices being implemented in cafes in Dublin and the implications of the absence of strong HR practices in such organizations, particularly in times of global shocks. The researcher began this research with the general aim of exploring the experiences of employers (café owners) and their employees, how HR is implemented and what problems, if any, the absence of strong HRM may cause during times of global shocks. The approach to collecting and analyzing data changed slightly due to covid-19. The following methodology chapter will discuss the research philosophy, methodology approach, qualitative research, the interview process, data and ethics. It will also describe the researcher's ontological and epistemological stance and the overall methodological approach taken in the research. Qualitative research by way of semi-structured interviews was used to gather information for this dissertation. The specific strategy of constructivist grounded theory (CGT) will be described in this chapter also.

#### 3.2 Research Philosophy

Gray et al (2009) describes research as a systematic, assembled and organised effort to explore and scrutinize a particular problem that needs a solution. It is vital for a researcher to identify which research paradigm their research belongs to. A paradigm can be described as a common

outlook, a way of breaking down the complexity and difficulties of the real world (Patton, 1990). Paradigms act as a theoretical framework to support the research. As stated by Guba and Lincoln (1985), a research paradigm is intrinsically associated with the concepts of ontology, epistemology and methodology. Ontology and Epistemology are individual objects but act in mutualism by leading into specific methodologies and together make methods for relevant and appropriate research. Gray (2009) demonstrates that ontology represents understanding of what is whereas epistemology aims to understand what it means to know. Smith (2012) in agreement with Gray states that ontology in the realms of philosophy is the science of what is, "of the kinds and structures of objects, properties, events, processes and relations in every area of reality" (Smith, 2012, p47). The structure of the world can be identified by two different forms: (I) Positivist; which believes reality is apprehendable and independent and (ii) Constructivism; which believes that reality is a consequence of social practices by individuals and groups (Cupchik, 2001). As illustrated by Maxwell (2006), constructivism is based on attaining a constructive approach. This occurs when the researcher observes the world through interactions amongst people and looks at society as being "socially constructed" (Maxwell, 2012). This approach is relevant when undertaking qualitative research as it is said to be more natural and adaptable. The researcher chose a constructivist approach via a qualitative research method, by interviewing two SME owners and three SME employees.

#### 3.3 Methodology Approach

The researcher has previously explained both, how and why, the research idea of HRM practices in SMEs was explored. The researchers own ontological and epistemological experiences have led the research to be conducted through a social constructivist lens using a grounded theory approach (O'Connor, 2019). Glaser (2002) refers to Charmaz's definition of constructivist grounded theory, defining the method as both, systematic and flexible in terms of guiding the researcher while they collect and analyse qualitative data to create theories grounded in the data itself. This approach can be described as inductive, as opposed to, deductive. While interviewing the participants, their real-life experiences within their working environments were given the upmost appreciation and consideration. This methodology approach has been used by some of the authors mentioned in chapter two. Erburu, Ruz, and Arboledas (2013), used semi-structured questions to interview different HR managers in their study. Dahlhamer and Tierney (1999),

from chapter two, also used this approach, examining small businesses in the aftermath of a natural disaster. One of the main benefits of the constructivist grounded theory is that allows for diverse viewpoints, which was crucial for this study. This theory was chosen over a classical or modified theory, for example, because it highlights and respects that research will always be biased, as the researcher and the participants of the study maintain their own understanding of the world (Corbin and Strauss, 1994).

The researcher has experience working in small-medium organizations, where there was little or no HR structure in place. The researcher also had their contract terminated by a small café during the Covid-19 pandemic, hence the interest for this area of research. The original aim was to interview eight interviewees, four SME owners and four SME employees. Due to Covid and its restrictions, the researcher resulted in interviewing 5 interviewees in total, 2 SME owners and three SME employees, from four different cafes in Dublin. The researcher used a purposive sampling technique. According to Etikan, Musa and Alkassim (2015), purposive sampling is used when the research deliberately chooses participants due to certain qualities the participant attains. The researcher decides what exact information they require and searches for people who have the relevant knowledge and experience to fit the research. In this researches case, café owners and café employees were chosen as they can provide the relevant knowledge and information regarding SMEs and HRM during crises. Interviewing employees and owners instead of owners and managers, for example, will give a different perspective of HRM in an SME, from the top (owner) to the bottom (employee) of the organization. A manager's outlook may be quite similar to an owner's outlook, whereas an employee would offer a completely different viewpoint. The interviews were originally planned to occur in the businesses unless the interviewees chose otherwise. Due to Covid-19 and lockdown measures, interviewing via Microsoft Teams (MS Teams) was considered as the length of lockdown was uncertain. The researcher decided to hold off and interview the participants when lockdown was eased slightly. Meaning the interviews were held face-to-face while abiding social distancing regulations. The researchers aim during the interview process was to create an equal dialogue between the interviewee and the researcher through semi-structured interviews and open and honest dialogue. A semi-structured interview, as illustrated by Longhurst (2016, p143) is: "a verbal exchange where the interviewer, attempts to elicit information from another person by asking questions. Although the interviewer prepares a list of predetermined questions, semi-structured interviews

unfold into a conversational manner offering participants the chance to explore issues they feel are important." The researcher felt this interview structure was important as it allowed the participants to elaborate on the topics they desired. This granted each participant the opportunity to feel comfortable and allowed them time to open up to the interviewer. The question structure and the sequencing of the questions determined the entire dynamic of the interviews. The questions were clear, appropriate and related to the topic investigated. The researcher held no preconceived ideas to prove or to disapprove. The researcher aimed to focus on the issues of importance that emerged from the interviewee's stories and knowledge, particularly issues they had in similar with the researcher (Mills, Bonner and Francis, 2006). As stated by McLeod (2014), structed interviews involve close ended questions. This means the questions are not flexible and the interviewer cannot ask any impromptu questions during the interview process. Semi-structured interviews were much better suited to the study than a structured interview technique, as semi-structured interviews are more flexible, allowing for a more in-depth conversation and for conversation to flow.

#### 3.4 Qualitative Research & the Interview Process

Peck and Furman (1995) note that previous researchers have used qualitative methods to identify the fundamental and core roles of ideology, organizational dynamics and social-political factors. This research aim was to connect with SME owners and employees of such organizations, to listen to them and to learn from their individual stories, experiences and knowledge. According to Muijs (2004), quantitative research involves explaining a phenomenon using numerical data. Of course, the benefit of using this method is that, the researcher can reach a higher number of participants in a shorter time frame. The use of numerical calculations or measures would not have been either suited to or sufficient to reach the goals of the dissertation. Yes, the qualitative approach takes more time and effort, meaning less participants are involved but, the quantitative method does not allow for an in-depth narrative. The researcher believes the quantitative method is more superficial than humanistic, which is why qualitative research was chosen over quantitative research methods.

As stated by Creswell (1994), qualitative researchers focus on and show interest in 'meaning', how people come to terms with and make sense of their lives, experiences and how they

structure the world. Qualitative research requires that the data collected by the research is organised and presented in a meaningful way. The research and data extracted depended on how the researcher performed, as well as the researcher's skills as an analytical interpreter of the information collected (Liamputtong, 2009). Kvale (1996) believes that the interviewees openness plays a vital role in this type of research.

The researcher of this dissertation used a case study method with a qualitative approach. Zainal (2007) recognises that, case study methods are a controversial approach to data analysis and collection. In saying that, case study research allows the exploration of complex issues and has been used in many areas, including business management (Zainal, 2007). Yin (1984), illustrates case study research methods as an inquiry that examines a contemporary phenomenon in its real-life context. Seale (1999) highlights the significance of bias. The author states that the researcher must be aware of their pre-conceived concepts in order to be reflective of how this might influence bias and impact the study overall. The advantage of semi-structured interview questions in this case, is that they counteracted any potential bias as they allowed for the interviewers to express their beliefs without the interview being limited or controlled by the interviewer. Rabionet (2011) points out that semi-structured interviews benefit the researcher as, they do not face the risks complete unstructured do and they allow for certain specific topics to be covered. Semi-structured interviews are considered to be highly practical in qualitative research.

The researcher held a pilot interview prior to conducting the real interviews. Conducting a pilot interview ensured the questions were clear and comprehensible. The pilot interview also allowed for the researcher to overcome some of the initial nervousness as an inexperienced interviewer.

#### **3.5 Data**

Due to covid-19, the interview process changed from what it was initially planned to be, the process of the handling of data was also revisited by the researcher. The researcher was required to reach out via email to each participant and to carefully plan a time and place to ensure all Covid restriction rules were being met. Each interview was audio recorded, as agreed upon by each participant prior to the interview process. Seidman (2006) states that audio recording is a successful source of data collection, people's thoughts become words. According to Bell (2005),

the interview is the participants story, not the researchers. This highlights that an inexperienced interviewer should always be aware that the data attained can highlight opposite issues than the issues they expected (Bell, 2005). If the data found is not the desired outcome, the researcher should always handle it with respect and realize that the interviewee controls the interview process.

Data is not made hugely significant until it is analysed accordingly. The researcher analysed and interpreted the interviewees stories (data) using a thematic approach method. Alhojailan (2012) promulgates that, the thematic approach method is an extensive and thorough process where researchers can recognize and pinpoint different cross-references between the interviewee's data and the evolving themes of the interviewer's research. The author states that good qualitative research should be able to extract interpretation and be accordant with all data collected. According to Hatch (2002) and Creswell (2003), interviewee's interpretations are significant in terms of allowing the researcher to receive an appropriate explanation for their behaviours, thoughts and actions. Thematic analysis in qualitative research can be described as a process of encoding. The researcher started the process by (i) replaying the audio recording multiple times and taking notes on laptop (ii) reading the notes multiple times which aided the researcher in identifying reoccurring themes (iii) highlighting the different themes in different colours on MS Word. The thematic approach enabled the researcher in identifying, analysing and organising the data collected. All data was collected and stored using encryption to ensure all information remained private and confidential. No real names were used for the participants and their businesses. Instead the researcher referred to the owners and employees using letters, for instance, 'Employee A' and 'Owner A'. This was also to ensure the privacy and anonymity of all participants remained protected.

#### 3.6 Ethics

As stated by Resnik (2015), ethics can be defined as "norms for conduct that distinguish between acceptable and unacceptable behaviour" (Resnik, 2015, p1). Ethical considerations should remain a significant factor throughout every stage of the research. It is extremely important that participants are protected all throughout the process. The process of the interview was clearly defined in the Information Sheet and the Informed Consent Form, which was emailed to each participant before the interview took place. This was to ensure all participants understood the

process clearly and to prevent any potential invasion of privacy. Participants were notified that the withdrawal from the interview at any point was an option, highlighting that the choice was theirs to participate or not. As mentioned above, all participants and their businesses remained anonymous, using identification letters, for instance, Employee A and Owner A. All data collected and analysed was stored in an encrypted folder on a password protected laptop.

#### 3.7 Summary

The above chapter illustrated both the researcher's epistemological and ontological outlook. It outlined the overall methodology approach taken by the researcher, justifying why qualitative research in the form of semi-structured interviews, was chosen over alternative research methods.

# **Chapter Four**

#### **Findings**

#### 4.1 Introduction

The following chapter will be an analysis of the researcher's findings. The primary focus of the research was to study the implications (if any) SMEs face in the absence of strong HRM, particularly during times of global crises, with focus on the current pandemic, Covid-19. The research was positioned within the context of the current HR practices, if any, being implemented in four Dublin cafes, building on the personal experiences of café employees and owners. Five respondents took part in this study: three café employees and two café owners. The ontological and epistemological approach of the researcher, which were previously discussed in the methodology chapter, played a vital role in how the data was collected, analyzed and organized. The researcher intends on identifying the variation of opinions, given by each of the participants, in the data collected. The researcher will then link the findings to the research aims and questions, which were outlined in the initial part of the study.

It is important to mention that, five participants were interviewed, from four different Dublin cafes. Owner B and Employee B are both from the same café, which allows for an interesting insight. It is also important to note the size of the workforce in each of the cafes in question. All cafes consisted of under 20 staff. Employee As café has roughly eight to nine staff, including the two owners. Employee B and Owners B café employed six staff prior to Covid, including the owner, and has reduced to the owner working alone, with one staff member helping twice to three times per week. Employee Cs café employed approximately twenty staff; she did not know the exact number but gave an estimate. Lastly, Owner A employs twelve staff. It is not common

for an organisation to hire a HR specialist for under 50 staff. Therefore, the interview process was based more on the use of HR policies and practices, than HR personnel.

This chapter will analysis how each participant views HRM in SME's, particularly how they felt HR practices were handled by their employers during Covid-19. This chapter is mainly concerned with the facts, what was said by each participant. The next chapter will delve deeper into how the findings relate to the overall research objectives and literature review. Each respondent had their own individual views and opinions. In saying that, there were certainly some recurring issues and thoughts. The themes used in this chapter will mirror the themes used the literature review in chapter two. (I) HRM in context (ii) Communication (iii) Crisis Planning and (iv) The Psychological Contract. The themes that emerged are mainly focused on the implications the organizations faced due to the lack of well-established HR practices, which linked back to the title of the study.

#### 4.2 HRM in context

#### Do SMEs need it?

As stated in Chapter Two, in Ireland, more than 60% of SMEs do not have a HR function even though more than 90% consider it vital. The three employees questioned in this study, all answered "no" to the question, "does the café you work for employ any HR staff?" All the employees and café owners questioned had no HR personnel at their cafes. In each case, the owner dealt with HR practices themselves. The researcher then asked the employees, whether they felt their employers deals with HR practices well? The answered varied slightly. Employee A stated she thought her employer, "was learning as they were going- it is all a process of learning." Employee B and Employee C both seemed to believe that their employers did not deal with HR practices well.

Employee B: "No, not really. There was no health and safety training whatsoever, for example." In relation to data and pay, the employee stated, "some weeks they would ask if they could pay me next week- I am still owed four days holiday pay." Employee B also insinuated that they felt their employer was not balancing running the business and doing all the HR duties in the background too well, stating, "having someone else doing HR duties" would benefit the business

more. They used the example of staffing, outlining that their employer, "never had enough staff on, I felt like we were always understaffed" resulting in the employee not dedicating all their time to the task they were "in charge of", having a knock-on effect on the overall organisational efficiency.

Employee C: "My employer absolutely did not deal with HR practices well. We had zero training, I was thrown in the deep end and I had to learn as I went along. Pay and hours were also unorganized and at times, unreliable. Employer-employee communication was not good and there was often a bad vibe."

Owner B stated they simply "could not afford HR staff in their budget". Doing the job themselves meant they "never switched off. We were doing everything ourselves- hiring people, pay, everything. It took a lot of time from us- it was the evenings, the weekends, even on holidays, you had to do it." "I think for really small businesses, it is manageable without HR, depending on how much time you want to dedicate to it."

Owner A, in response to what benefits HR may bring, stated, "You could delegate some HR work, which I would hope to do in time. That would benefit me as I could then work less hours." When the business grows and becomes more profitable; the owner hopes to hire a person to look after HR duties. It is evident that, although SMEs can operate without strong HRM practices or personnel, it would be more of a convenience for café owners as they would not have to work as many hours. Having well-established HR practices would also result in more satisfied employees.

#### 4.2.1 Creativity and Adaptability

According to the findings, the pandemic allowed SMEs to be more creative. Which is also a common reason why SME owners initially want to open their own business, without HRM and in a conventional manner. SMEs in Dublin and elsewhere, have adapted greatly to the current state of the economy. Creativity and adaptability are being used under the HRM in context section as, it is of common belief that following strict HR practices or polices, takes away from the originality of the business. Owner B believes the opposite. When speaking about their business during Covid, Owner B highlighted, "if you want to drive the business, you need to

have a lot of free time. I never allow myself for free time, I do shifts and then I deal with payroll and everything else after working hours. When it comes to being creative or coming up with new ideas, it is hard because you are constantly exhausted. To be creative you need time." The owner stated that Covid allowed for them to become more creative, "I have to have time to be creative and having HR personnel or a better HR structure, would give me time for that, definitely." The owner stated that due to his lack of HR skills, he was often stressing about the "little things." Covid gave him a chance to be creative again. He also implied that by having stronger HR practices, he would spend less time stressing, which would allow him to be more creative.

Employee A, when addressing SMEs during Covid, stated that "creativity is booming-people are being forced to be creative and think outside of the box and I think that is a huge pro."

Employee B stated that, "SMEs having been essential [during Covid], they are really helping people get through- even if it is just going for a coffee and a chat, some people have no one to turn to during these times."

Employee 3: "The café I worked for before Covid changed their sit-in area into a shop. They adapted to the circumstances they found themselves in. They needed to be creative to survive."

It is evident from the above that, cafes bring a certain community atmosphere to Dublin City. From the findings, one could say that creativity and innovation can sometimes be put on the shelve as café owners have to deal with HR tasks, in addition to working shifts and all other duties that come with the day-to-day running of a business. One could say, after reading the above findings, that implementing strong HR practices, which will in the long-term, save time, would allow café owners more time to be creative and work on other areas of their businesses. As ironically, the 'creative' and 'innovative' aspects of running a business, were the initial attractions of opening their own business. It could be said that a general implication of not having strong HR practices in place to begin with, will result it an owner spending more time dealing with HR day-to-to, subtracting from the creative and innovative aspects of the organisation.

#### 4.3 Communication

Communication is a huge part of the employer-employee relationship. It was a significant theme in the interviews and generated the most conversation. This is important as the lack of HR skills in relation to employer-employee communication, presented a problem for the SMEs in question. Overall, there were mixed opinions amongst the café owners and employees regarding internal communication during the Covid pandemic. The feeling of uncertainty was strongly felt amongst all. When asked if they felt their employers could deal well with internal communication in the absence of HRM, during Covid, the employees responded:

Employee A: "My employer is following information given by the government. I think they were taking each day at a time."

Employee B: "No, it was not dealt with very well. It was very vague; I did not get a text message or communication to say we were closing due to Covid or anything like that."

Employee C: "I felt like communication from my employer was quite poor. I was told that we may be closing. When the café reopened, I was not contacted even though my contract was never officially terminated."

The employees, particularly employee B and C felt like there was little or no communication from their employer during Covid. Employee A seemed a little more understanding, implying that her employer was following government advice.

When the café owners were asked if they felt they had the necessary communication skills to contend with their employees, in the absence of HRM during Covid, they responded:

Owner A: "It was a rule here, we all met up in the café once a week. To keep check-in and to maintain relationships, that worked very well, and everyone was happy with that."

Owner B: "I was trying to give them as much information as possible because I did not have much information. For like a month or two nobody knew what was going to happen or when we were going to open, so I did not have much contact with my staff due to this." "I think it worked well, I would have hoped if it didn't, they would have told me but I think I had pretty open communication with my staff."

Communication plays a vital role in the workplace and successful communication promotes a positive the employer-employee relationship. The owners felt like they did th bets they possibly could, in regard to communication during the pandemic. Owner A, who owns an older, more established business, seemed to handle communication with his employees well by holding a weekly staff meeting, to check up on and reassure employees. Owner B, on the other hand, did not have a practice like this in place and admitted that he was as confused as his employees concerning Covid measures. Admitting he, "did not obtain the necessary HR skills", to efficiently manage employees during Covid.

## **4.4 Crisis Planning**

As HR are generally a huge part of crisis planning, the researcher asked the employees, if they believed their employers were prepared for a crisis when they were met with the pandemic.

Employee 1: "It was one of those things where no one knew what they were doing- it was a process of everyone learning together."

Employee 2: "No, not at all. There were no clear instructions on what to do, I was not told if I was laid off or not."

Employee 3: "I don't think they were prepared at all for a crisis of this scale. They are a fairly new business too, so this shocked everyone."

When the café owners were asked whether they had a crisis plan in place pre-Covid, the answers were quite similar in nature.

Owner 1: "No, this was completely unexpected. Obviously, we have insurance for business interruption but unfortunately that was not honoured, which leaves a business very vulnerable. Luckily enough we had enough cash reserves to keep the business running and the bills paid."

Owner 2: "Not at all, no. I had nothing of the kind. It never crossed my mind that something like this would happen. Fire and those things, you do have insurance for, not this."

## 4.5 Safety & the Psychological Contract

The researcher questioned both, the employees and the café owners whether they felt the psychological needs of the employees were being met at work in the absence of HRM. When asked if they felt safe at work, the employees responded,

Employee 1: "I do definitely, yes." The one disadvantage of working in a SME, mentioned by this employee was relating to pay. The employee felt like there was no opportunity of progression or higher pay, despite of feeling safe in her position.

Employee 2: "Most of the time I did. The kitchen was leaking one time into the electrics and I could not get in contact with the owner that day, I had to make the decision to close the café."

Employee 3: "I did feel safe, but definitely not secure. One of the owners oversaw hours and pay and there were definitely inconsistencies with both. Some weeks, I was not given any hours at all but I had no one to turn to.. I feel like having HR personnel in cases like that would have made me feel more secure."

When asked if they felt their employee's psychological needs were being met, the owners responded:

Owner 1: "All of my staff are with me a long time, that speaks for itself. During Covid, I did not lose one member of staff, as a result, we were able to open back up with the exact same service we had before closing in March."

Owner 2: "I think so- we are drastically smaller now than we were before, I let most of staff go. I would no longer have those positions to give them."

## **4.5.1 Pandemic Unemployment Payment (PUP)**

Payment falls under the psychological contract theme as pay allows for an employee to feel both safe and secure. The PUP was brought up throughout the interview process. As explained by the Irish Government on the Citizens Information website,

"COVID-19 Pandemic Unemployment Payment is a new social welfare payment for employees and self-employed people who have lost all their employment due to the COVID-19 public

health emergency." A person can apply for the payment if they are aged between 18 and 66 and "have lost all employment due to coronavirus restrictions." (Citizens Information Website, 2020).

Both Employee B and Employee C stated the payment not only helped them, but benefitted them.

Employee 2: "I did not get a message from my employer to say I should apply for the PUP, I just took it upon myself to apply for it. I think we were very lucky, in the sense that it was a lot of money, it is nearly the same as I was getting paid anyway, so that was good."

Employee 3: "At the beginning of lockdown, my employer sent me a message informing me of the PUP and advising me to apply for it straight away. It helped me a lot as it was more money than I was receiving while working. I remember at the beginning of Covid, I was extremely worried as I knew the café I worked for would most likely close either temporarily or permanently ,and I was scared I would have no financial means to pay for my bills- the Irish government were very efficient and fast in terms of getting the emergency payment up and running."

The café owners stated the PUP also helped them and gave them peace of mind.

Owner 1: "I continued to pay people during lockdown, we thought initially it would be six weeks and it went to three and a half months, that was a shock. I feel like the PUP is there as a safety net if a second wave came and I could not afford to pay my staff."

Owner 2: "I don't think we could have survived without the PUP- even on a personal level. I couldn't afford to pay my staff, it was essential. It was a weight lifted off my shoulders because I knew my staff were being paid. It was implemented so quickly. Without it, what would people do? They would have no money to buy essentials, even food."

The Pandemic Unemployment Payment allowed for the psychological needs of the employees to be met as they had one less thing to worry about. The payment also meant employers did not have to worry about paying their staff, this was crucial as it was a period where their cafes earned little or no money.

## 4.6 Summary

Due to Covid, the researchers sample size reduced. A smaller sample size can cause limitations as there is less variation of opinion. In saying that, each interview created an abundance of conversation around HRM and SMEs, with unique input from each participant.

After conducting the interviews, it can be said that the SMEs in question, Dublin cafes, use minimal HR practices, usually carried out by the owner themselves. This inevitably comes with implications, particularly during crisis times. The findings above highlighted the problems SME owners had in the absence of HRM. These problems related to lack of HRM or HR skills, this can be seen in the sections focused on, communication, crisis planning and the psychological needs of employees. The findings also outlined, in the HRM in Context section, why café owners and their employees believe HR is required or not required in SMEs.

## CHAPTER FIVE

## DISCUSSION

#### 5.1 Introduction

This research is an exploratory inquiry into the current HR practices being implemented in Dublin cafes and the implications they may face in the absence of well-established HR practices, particularly during times of crises. This chapter will delve deeper into the data collected during the interview process. It will critically examine the data collected and link it to the previous literature studied by the researcher in chapter two. Not only will this chapter link back to chapter two, the key purpose of the discussion chapter is to link the findings back to the original research objectives. This chapter will delve deeper into how the findings relate to the overall research objectives and literature review. The themes from the findings emerged as implications the SMEs in question are facing during the pandemic.

The limitations and practical considerations will also be examined, this will underline the relevance of the study. This chapter will be divided into four headings, structured from the five initial research objectives outlined at the beginning of the study. The strengths and limitations of the study will be studied after the four dominant headings. The researchers ontological and epistemological views have influenced the presentation of the discussion chapter.

#### **5.2 HRM in Context**

Objective 1: Do Dublin cafes implement appropriate HRM strategies and/or employ HR personnel? What are the reasons, if any, behind SMEs not having sufficient HR practices or personnel in place?

As mentioned previously, according to a survey, more than 60% of Irish SMEs have no HR practices in place despite of more than 90% of them believing HRM to be a vital part of

organizational function (The Irish Times, 2015). The researcher questioned five participants, three café employees and two café owners, from four different Dublin cafes- one owner and employee were questioned from the same cafe. Each participant stated that there were no HR personnel employed by their cafes. It can be said from the research that the participants believed their cafes or the cafes they worked for would benefit from implementing stronger HRM practices or by employing HR personnel, ultimately siding with the authors 'for' HRM in chapter two. It can also be said from the research that the implementation of strong HR practices was not a priority in the cafes questioned.

As mentioned in Chapter Two, Russ (1986), states that the human resource function is little more than an overblown clerical service and is not deserving of the time and money devoted to it. Many business owners, particularly small business owners, view HR as an unnecessary cost. The café owners questioned for this study mentioned cost as a reason for not implementing stronger HRM practices. It could be said that if the owners could afford relevant HR staff, they would employ them. Therefore, they do not look at stronger HR as an 'unnecessary cost', but as a cost they simply cannot afford.

As raised in the literature review, Peccei, Van de Voorde and Van Veldhoven (2013), state that HRM is extremely time consuming. The idea of HR duties being time consuming was relatable to the café owners questioned. Owner A admitted, his workday was not over when the café closed at 5pm, he also worked evenings, weekends and even holidays to ensure hours, payroll, training and other HR duties were executed. Owner 2 also stated that they would eventually hire HR staff to reduce the number of long hours they currently work.

The literature studied in chapter also touched on the benefits of HRM for the employer-employee relationship. According to Edgar, Geare, Jing and McAndrew (2015), people management activities enhance employee well-being while also enhancing the quality of the organization. After conducting the interviews, the researcher was surprised at how concerned the café employees were with HR. They had strong opinions on how well or badly their employers performed HR practices. Employee B mentioned issues around training, health and safety, pay and expressed that her place of work was consistently understaffed. She recognized that her employer was not dealing with HR practices sufficiently. Similarly, Employee C stated they were not trained, and that other HR practices were not implemented well, this led to low

employee satisfaction and an overall "bad vibe". In chapter two, certain authors suggested that having HRM would benefit employee happiness. Sparks (2001) suggests HRM reduces harmful stress as it provides job security for workers. Marescaux, De Winne and Luc (2013) suggest, as well as job security, the implementation of HRM practices creates job satisfaction, work engagement and lower turnover rates amongst employees. It was evident from the findings that a more appropriate standard of HR skills amongst café owners, would result in more satisfied employees.

Overall, although owning or working at an SME has its benefits, from the research, it may be suggested that, the implementation of stronger HRM practices in the cafes questioned would result in more satisfied café owners and employees, resulting in a better work environment and stronger employer-employee relationships. Both the employees and café owners questioned seemed to accept that SMEs could certainly survive without strong HRM practices but would benefit greatly from the implementation of them. In the cafes questioned, the owners handle HR practices without any outside advice or aid. It can be said they faced difficulty in certain HR areas when Covid arrived as they did not obtain the relevant HR skills. One of the original objectives was to work out if Dublin cafés employed HR staff, the answer to this, from the findings, is more likely than not, they do not hire HR staff. As stated in a report conducted in 2014 by the Society for Human Resources Management (SHRM), on average the HR-to-employee ratio (the number of HR employees employed for every 100 employees), is equal to 2.57 for all organization sizes (Culture Amp Website). The cafes questioned were smaller in numbers, with more than 20 employees, including owners. This suggests that it would be quite typical for these cafes to not hire a HR specialist.

Another objective was to examine whether appropriate HR practices were implemented in the cafes questioned. It is difficult to come to a conclusion regarding this objective. This is due to each, of the four cafes being unique. It can be said that each café attempted to implement the bare minimum in regards to HR pre-Covid. Going forward, SME owners may be more aware of the importance of the implementation of strong HR practices, as Covid presented some difficulties around the management of café employees.

#### **5.3 Crisis Planning**

# Objective 2: Would it be easier for SMEs to cope with crisis with implementation of relevant HR practices?/ Do SMEs plan for crisis situations?

Athamneh 2012 highlights in the literature review that HR usually take on the vital role of planning and training for crisis management, therefore organizations who do not implement HR practices do not sufficiently prepare for a crisis. According to Watkins, Cooke, Donovan, MacIntyre, Itzwerth and Plant (2008), it is quite typical for a small-medium sized organization to neglect preparation for a pandemic. In comparison to larger organizations who consider it a necessity to plan for a pandemic due to the large-scale consequences it would face if a pandemic were to occur. The findings suggest that the Dublin cafes in question had no kind of crisis plan in place pre-Covid. Owner A stated that the pandemic was "completely unexpected", Owner B stated it "never crossed his mind" that something of this scale would occur. Insurance was mentioned by both owners, but although insurance is for business interruption, it did not honour the detrimental effects of a global pandemic. The employee response regarding crisis planning were similar in tone. Employee A mentioned everyone was learning together in relation to the pandemic and everything that accompanied it. Employee B and C both suggested their employers were not prepared in the slightest for a crisis.

The cafe owners seemed to suggest crisis planning was unnecessary as they did not expect a pandemic of anything of its kind to occur in Ireland. They also proposed the idea that crisis planning simply did not find a place on their list of duties, which was highlighted by Caponigro (2000) in chapter two. The findings suggest that it may have benefitted the owners to have some sort of crisis plan in place, as without crisis plans, they found themselves in an extremely vulnerable place when the pandemic and lockdown measures hit.

As previously put by Spillan and Hough (2003), in chapter two, arguing against Caponigro, the authors pointed out that lack of crisis planning can be detrimental to a small business. They suggest that the business should weigh out the difference between the cost of crisis planning and the potential costs of the failure to plan (Spillan and Hough, 2003). Certain factors will influence a SMEs ability to cope in crisis situations. These factors include: the size of the organization, whether the organization is new or old, whether the owner is renting the premises or owns it, for instance ((Dahlhamer and Tierney 1999) (Kroll, Landis and Stryker, 1991) (Webb, Dahlhamer, Tierney, 1999). Owner A's cafe was passed down from his father and he considers the business

to be "well established", he was able to attain all staff members and reopen with the exact same service as pre-Covid. He, therefore, had the financial means to keep on top of rent, bills and other expenses during the pandemic. Owner B opened his business less than five years ago and did not have the financial means to keep on top of rent. He was required to receive help from the government, he let go of all staff, either temporarily or permanently and worked shifts daily, in order for the business to survive. Although most SMEs struggled during Covid, it can be said from the findings that the more established a business, the more they can cope in a crisis situation.

In relation to the original objective, do SMEs plan for crises? From the findings, it may be suggested the cafes questioned, did not plan for a crisis as they genuinely believed they will not be impacted. Having strong HR practices in place, or subsequently, appropriate HR skills or knowledge on the owner's behalf, may have helped during Covid, in terms of managing employees. In saying that, even organisations with the strongest HR departments, struggled when Covid hit the country at an unprecedented scale. Although, crisis planning or strong HR practices would have certainly helped, nothing could prepare SMEs for the large-scale consequences Covid created.

## 5.4 Employer-employee Relations & the Psychological Contract

## Objective 3: Does the absence or lack of HRM in SMEs have an impact on employee-employer relationships?

The psychological contract, as mentioned previously is of high importance when attempting to understand the employer-employee relationship. Morrison and Robinson (1997) describe the psychological contract as an employee's understanding of the reciprocal responsibilities between the employee and the organization they work for. These responsibilities are based on perceived promises, that Robinson suggests the employer is usually unaware of. When the psychological needs of an employee are breached, in the wake of a pandemic for example, employees may be quick to blame their employers. Employee C states that pre-Covid, there was a "bad vibe" in the cafe they worked for. There were inconsistencies in her hours and some weeks, in her pay. The hours and payroll were both administered by the owner of the cafe on a weekly basis. The

employee felt like without proper HR practices or personnel, she had nowhere or no one to turn to.

In the aftermath of a crisis, employers should be prepared to see a difference in their employees due to issues they may have faced during the crisis. According to Picou and Martin (2006), from chapter two, these issues include, loss of income and job security due to the crisis. There may be more social problems during and in the aftermath of a crisis, such as depression and stress amongst employees. Employee B mentioned the loss of a grandparent due to Covid and the negative effects it had on their family. Maslow's Hierarchy of Needs (1943) outlines the importance of psychological and safety needs, stating they are the most important needs. Employers are responsible for the safety and security of their employees; it sets the tone of the relationship. If a SME does not follow crucial HR practices, including practices ensuring healthy employer-employer relationships, will the owners be sufficiently prepared to deal with the HR and employer-employee issues that will inevitably occur during and after a crisis?

The original objective stated, "does the absence or lack of HRM in SMEs have an impact on employee-employer relationships?" From the findings, it may be suggested that, although SME employees may be satisfied at work, in times of crises, SME owners struggle to implement basic HR duties sufficiently, resulting in their employees becoming dissatisfied and inevitably damaging the employer-employee relationship.

From the three employees questioned, two of them displayed strong opinions regarding how badly their employees handled the Covid situation, in areas such as, health and safety and communication. This resulted in the employees naturally feeling uncertain about the future. While Employee A, did not express negative feelings towards her employer as strongly as Employee B and Employee C, she still stated they were "learning everyday", which does not give the impression that her employer handled things overly well. If employees, under the psychological contract theory, believe that their employer has a moral obligation to ensure they feel safe and secure, surely, these findings suggest those obligations were breached.

#### **5.4.1 Pandemic Unemployment Payment (PUP)**

The PUP was mentioned throughout the interview process. When the employees were questioned about their well-being during Covid, Employee B and Employee C both mentioned that they were not worried or stressed about finances due to them being in receipt of 350 euro per week from the Irish Government, which was more than what they were earning before the crisis. Owner A stated that although he had the means to pay his staff all throughout the pandemic, he viewed the PUP as a safety net, if a second wave of Covid hit or if the pandemic exceeded his budget. Owner B stated that the PUP saved his business as, not only did his employees depend on it, he was also required to turn to the government for help in order for his business to survive. The Pandemic Unemployment Payment allowed for the psychological needs of the employees to be met as they had one less thing to worry about. It also took some weight off the employers' shoulders as they did not have to worry about letting their employees go and potentially finding themselves in financial stress. The above demonstrates that the PUP provided less stress for employers and employees, which shows that elements of the psychological contract, including safety and security, are top priorities for both employers and employees. Usually HR would ensure the aspects of psychological contract were being met, proving that the implementation of strong HR practices or the appropriate HR skillset or knowledge, would result in less stress overall.

All in all, although certain psychological needs of the employees were not met during the pandemic, likely due to the lack of HR skills present in the cafes they were employed by, the emergency PUP brought in by the Irish government reduced stress and gave some security to both the employees and the café owners. This resulted in the maintenance of employer-employee relationships, as without the payment in place, there may have been increased hostility regarding pay. For example, Employee B stated she was understanding about the outstanding four days of holiday pay she was still owed by her former employer, would this have been the case without the PUP?

## 5.5 What are the main problems SMEs face, in terms of HRM, during global crises? (Objective 4)

#### 5.5.1 Communication

Communication emerged as a significant topic during the interview process. Unfortunately, communication emerged as more of a negative topic than a positive one. Due to the pandemic, both the employers and employees experienced massive amounts of uncertainty due to the severity of lockdown and due to the unfamiliarity of a crisis of this kind. In saying that, communication and how the owners communicated with their staff during the uncertainty, proved to be vital. The employees seemed to understand the situation and understood the helpless position their employers found themselves in, in saying that, they expected and desired clear and honest communication, which they were not given in some cases.

Kernan and Hanges (2002), highlighted in chapter two, when managers give employees accurate and useful information regarding the organisation, using clear communication, uncertainty is usually lower. The findings show that some of the employees felt uncertain as there was little clear communication coming from their employers. Employee B did not know whether she was still employed by the cafe or not, the fact that they were not being given transparent information by their employer was the most concerning thing for them. Dolphin (2005) summing up what communication during a crisis consists of, states that internal communication is to, "build and nourish employee relations, establish trust, providing timely and reliable information and thereby contributing to general motivation, particularly in times of change and stress." As highlighted by the author, employees require solid and clear communication, particularly during times of crisis.

Owner A informed the researcher about weekly meetings he conducted with his staff. He suggested this gave the staff peace of mind and sustained the employer-employee relationship. Owner A also stated that the same staff members returned to work after lockdown measures eased, implying that successful communication impacted the maintenance of a successful employer-employee relationship. Owner B, on the other hand, admitted he did not know what was happening for two months or more, and that he was unsure what was going to happen post Covid and therefore did not "have much contact" with his staff due to this. Carmeli and Tisher, 2005, in chapter 2 emphasize that, communication between employers and employees during

crisis is vital. Employee B stated that communication from their employer was poor, "No, it was not dealt with very well. It was very vague; I did not get a text message or communication to say we were closing due to Covid or anything like that." This left the employee feeling uncertain and they did not seem overly impressed with how their employer dealt with communication during Covid. Interestingly, Employee B was employed by Owner B. The contrast in both of their answers around communication was excessive. Owner B believed he did his best, referring to his method of "open communication", while his employee (Employee B), stated communication from her employer was extremely poor. She claimed she was unsure whether her contract was still operative and that she was not informed by her employer of the PUP. Employee C, explained that, although the café they worked for reopened, they were not informed of the reopening. It seemed the employees were understanding of the situation but expected basic communication from their employers regarding the situation.

All in all, the literature from chapter two is relevant, it illustrates, when managers are unclear or insufficient in their message, there is less clarity and less employee satisfaction (Den Hartog, Boon and Verbug, 2012). Due to the unfamiliarity of the situation, the cafe owners seemed to be taking things day by day and did not attain the relevant communications skills to sufficiently meet the needs of their staff. Perhaps, with the implementation of appropriate HR practices or even knowledge, communication between employers and employees would have been dealt with more adequately and professionally, as HR specialize in maintaining and improving relationships with employees.

#### **5.5.2 Termination of Contracts**

The termination of contracts was another significant HR area wherein the cafes questioned seemed to face problems.

Owner A stated he did not lay off any staff and continued to pay his staff throughout the entirety of Covid. He opened back up his business with the exact same staff as he had pre-Covid. Owner B on the other hand, stated he laid off all his staff. Although he mentioned to the researcher, he no longer had the positions for his former staff, there was no indication he followed the correct procedures when laying off staff. He admitted himself that he was next to clueless when it came to HR procedures. As previously mentioned, Employee B was an employee of Owner B's cafe,

and according to this employee, she was not officially informed of the layoff even though she was not receiving pay. She also stated she was not notified by her employer about the PUP and took the initiative to apply for the payment herself. Interestingly, Owner B was able to inform the researcher that he no longer had positions available for his staff, yet his staff member declared she was never informed about a layoff. Employee C also stated when her place of employment reopened, she was not informed and was not officially 'laid off', although her employer contacted her regarding the PUP.

The lack of HR knowledge, particularly regarding the law, in terms of termination of contracts, was significantly evident. The Irish SME Accosiation state:

"There's a lot of information that SME Owners need to be aware of in terms of employment law and human resource procedures. As Irish legislation incorporates more and more employment-related directives from the EU, the need for your business to remain fully compliant is paramount. It is after all your responsibility to ensure you and your employees understand their employment rights."

In saying that, it may be suggested that if this did not occur during Covid, the repercussions of the employer's actions around lay offs, would be harsher. It seemed the employees were more understanding due to the uncertainty of the pandemic. Where termination of a contract without following the correct procedure would usually be deemed as 'unfair', in the case of Covid, certain procedures may be looked at differently. As outlined by Malik, Abdullah and Uli (2014), in chapter two, when the psychological need of safety and security is breached, during or in the aftermath of a crisis, employees may be quick to blame their employer as it is the employer's duty to keep employees safe. This is evident from the findings as Employee B and Employee C had strong negative feelings towards their employers and how the 'termination' of their contracts was handled, or not handled in this case, leaving them feeling vulnerable.

## 5.6 Strengths of Research

To the knowledge of the researcher, this is one of the first studies to be carried out on HRM in Dublin Cafes during the Covid-19 pandemic. As the pandemic is on-going, the study examines the immediate impact it is having on the everyday lives of the SME owners and their employees.

The study examines the abrupt consequences the arrival of Covid has caused. The study takes a unique perspective as it examines HRM in cafes in Dublin, during this novel pandemic, that has been referred to as, the largest pandemic in recent times. This has proven to be a significant strength of the research as the global pandemic is currently occurring and in some areas of the world, progressing.

#### 5.7 Limitations of Research

#### 5.7.1 Covid-19

The researcher faced some limitations due to the pandemic and lockdown measures. Lockdown measures included social distancing and the closing down of businesses and premises added to the difficulty of the arrangement of interviews with the participants. It also presented challenges due to social distancing rules. The researcher could not build relationships with participants before the interview process due to lockdown, resulting in the original sample size of ten reducing to five.

Due to social distancing restrictions, the researcher was forced to depend on other forms of communication, such as social media and email. This resulted in the replies being more sporadic and the general process was slower in comparison to a face to face conversation. In one case, the employee who oversaw the cafes social media accounts was temporarily laid off due to Covid. Due to social distancing restrictions, the social media outlet was the only alternative for the researcher to contact the café owner and eventually, the researcher had no other option but to wait until social distancing rules were eased, in order to go to the café and have a conversation face-to-face.

How were the problems dealt with? Initially, when lockdown measures were put in place, the researcher was uncertain about how they would interview the participants. The researcher decided they would use Zoom to conduct online interviews but was still apprehensive as online interviews would not be as personal as face-to-face interviews. The researcher made the decision to hold off on the interviews until lockdown measures were eased. In the end, five participants agreed to meet in person for the interviews, provided social distancing measures were being adhered to. The researcher hoped to conduct the interviews earlier than they were. It worked out

successfully in the end as face-to-face interviews were the reason the researcher chose to conduct qualitative research over quantitative research. It may have been a different experience if Microsoft Teams was used instead.

## 5.7.2 Interview Questions and Data

In terms of the questions asked in the interview process, there are certain questions that could have been asked in relation to HR practices. For example, the researcher could have asked what route Owner 1 took when terminating contracts, whether he received advice from an external party or whether he considered Irish law during the process of terminating the contracts.

The researcher could have also expanded on the area of employer-employee relationships. More questioned could have been asked about how the relationships might be going forward. In relation to the question asked about "HR personnel", the researcher later realized that it was common for SMEs with under 50 staff, to not hire HR personnel, all cafes consisted of under 20 staff, including the owners. Although the researcher did ask about HR practices, there should have been some separate questions assigned to individual HR duties, for example training. The researcher should have probed more in the area of HR duties.

It can be said that the data gathered did not completely fulfill all of the original research aims. There was more data collected on certain areas in comparison to others. This was due to the researcher not asking questions that should have been asked or maybe expanding on certain points. The researcher was inexperienced in relation to interviewing; therefore, the first two interviews were shorter in duration than the other three. The final three interviews were longer in duration as the researcher was more confident in terms of asking probe questions and encouraging the participants to elaborate on their opinions.

## **5.8 Summary**

All in all, the workplace and HRM as we know it is currently undergoing a significant change, the future is uncertain. Remote working, social distancing, and the reduction of workforces are examples of factors contributing to the change of HRM in the workplace as we know it. It is clear from the findings and the discussion that SMEs did in fact, face problems during Covid, due to the lack of strong HRM practices in place. This chapter linked previous literature and the original research objectives with the findings.

## CHAPTER SIX

## CONCLUSION

This chapter will make recommendations to promote the use of stronger and more well-established HR practices in Dublin cafes, which were inspired by the findings of the research. The second section of the chapter will illustrate some ideas for future study. The final section will conclude the dissertation, hoping to shine light on HRM in Dublin cafes during Covid, and what it might mean for these organizations going forward.

#### **6.1 Recommendations**

As mentioned at the beginning of the study, the researcher has experience working in small cafes in Dublin, hence the research idea. The aim of this research was to explore HRM in SMEs and to figure out whether SMEs faced any implications in the absence of strong HR practices during global shocks. The findings within the framework of this study have led the research to make the following recommendations to promote the use of stronger HRM practices in Dublin cafes (SMEs).

- Dublin cafes should consider spending more time creating and promoting strong HR
  practices and work on embedding them into their organization. Including stronger
  training programmes.
- 2. Crisis-planning should be an essential part of the business, no matter what size the business is. The four SMEs questioned for this study had no crisis plan in place pre-Covid which resulted in them becoming extremely vulnerable when the pandemic worsened, and when lockdown measures were implemented.
- 3. In smaller businesses, where hiring HR personnel is not an option, owners should consider assigning another member of staff (senior staff member or trusted full-time

- employee) to delegate HR tasks to. All four cafes questioned had no HR staff and all owners dealt with all HR practices themselves, in addition to working shifts and all other tasks within the business, resulting in an inequal work-life balance.
- 4. In the case where there are no HR personnel employed, café owners should consider familiarizing themselves with crucial HR practices, including communication skills, crisis planning and efficient skills to deal with termination of contracts. This will ensure they are promoting healthy employer-employee relationships and the enhancement of the overall organisational success.

## **6.2 Potential Future Study**

Considering Covid is on-going, there are many potential future study ideas. Particularly studies relating to the impacts of the pandemic of SMEs post-Covid. The workplace has experienced many changes in Dublin since the arrival of Covid in March 2020. Changes are still occurring daily and inevitably, there will be many more Covid related changes after the submission of this study.

- Health and safety is a huge part of HR. Social distancing restrictions, customer and
  employee desires concerning Covid, and businesses moving away from cash handling,
  are all examples of potential study areas surrounding health and safety in SMEs due to
  Covid. It would be interesting to examine how HR and health and safety policies will be
  permanently impacted by the pandemic.
- Another potential area of study is how remote working will impact HRM. Remote working has become the new norm as government restrictions and employers are encouraging working from home. There is a huge fear of second wave of Covid. Remote working has caused a decrease in customers in Dublin Cafes, most owners will now work alone or with minimal staff as they will not be as busy as they were pre-Covid. This will result in smaller workforces in most cafes, leading to the termination of contracts and no recruitment of new employees for the foreseeable future. Employers may move away from full-time/ permanent contracts.

- Crisis planning in SMEs post Covid may be a compelling area to research. Employers may be more aware and more prepared for the potential of future crises. Crisis planning may become vital for all businesses, no matter what size they are.
- Employers may learn from this experience and improve internal communication going forward. Employer-employee relations post-Covid and how Covid affected the employer-employee relationship, would be another interesting research route to take.

#### **6.3 Conclusion**

To conclude, the researcher was quite naïve at the beginning of the research, as they were under the impression that small Dublin cafes would have significantly little or no HR practices whatsoever in place. After conducting the research, it is evident that these small cafes do follow certain HR practices but it can be said that HR is not embedded or well established in these businesses, as HR does not seem to be the priority of the café owners, HR is used in diverse ways to suit each organization. As mentioned by Chatterji (2012), many café owners or SME owners in general, open their businesses with desire to be their own bosses and to avoid the obligation of following certain societal and corporate guidelines, which HR may be considered part of. Authenticity and lack of implementation of strong HR practices does certainly work for many SME owners, considering the owner puts in a substantial amount of time and effort, including evenings, weekends and in some cases, holidays.

This research delved deeper into the implications SMEs face in the absence of well-established HR practices in times of crises. Covid-19 came as a shock to all the participants involved in this study. It was transparent from the findings, that the café owners did not feel very well equipped in terms of dealing with employees during the course, and in the aftermath of, Covid-19. Areas such as communication, crisis planning, and termination of contracts were not tackled as professionally as one would hope. This resulted in the overall employer-employee relationship being damaged, breaching the psychological contract. SMEs can indeed survive and even thrive, without strong HR practices, but when a crisis like Covid propels, the owners felt uncertain and not substantially equipped to diffuse HR issues that inevitably arose. To summarize, As Ulrich (2012) once stated:

"Research confirms what we intuitively know: aligned, innovative, and integrated HR practices make a dramatic difference in individual and organizational performance."

This quote was significantly relevant in the findings, strong HR practices, that can be adapted to each organisation, will result in satisfied employees and employers and will enhance the success of the organisation as a whole. All in all, ensuring employees feel appreciated and valued in an organization, involves having appropriate HR practices and policies in place. It may be suggested that HRM in SMEs will improve in the aftermath of Covid-19. SMEs are well-known to adapt to suit external factors, learning from their mistakes surrounding HR and how it negatively impacted them during Covid, may enlighten SMEs and may allow for the implementation of HR practices to be of higher priority going forward.

The researcher managed to touch on each of the initial research objectives, but as mentioned in the limitations, the interview questions could have delved deeper in some areas, to allow for a more detailed insight of specific HR practices that were implemented in these cafes prior to Covid. All things considered, the objectives were met, some more than others, as displayed in the discussion chapter. This allowed for the researcher to come to the conclusion: although there are certainly some HR practices being implemented in Dublin cafes, the researchers belief that, the implementation of stronger and more well-established HR practices in SMEs, would allow for better crisis planning, communication and overall, healthier employer-employee relations, particularly during a crisis, was definitely met in the course of this research.

## CHAPTER SEVEN

## **CIPD REQUIREMENTS**

#### 7.1 Recommendations

The findings within the framework of this study have led the research to make the following recommendations to promote the use of stronger HRM practices in Dublin cafes (SMEs).

- Dublin cases should consider spending more time creating and promoting strong HR
  practices and work on embedding them into their organization. Including stronger
  training programmes.
- 2. Crisis-planning should be an essential part of the business, no matter what size the business is. The four SMEs questioned for this study had no crisis plan in place pre-Covid which resulted in them becoming extremely vulnerable when the pandemic worsened, and when lockdown measures were implemented.
- 3. In smaller businesses, where hiring HR personnel is not an option, owners should consider assigning another member of staff (senior staff member or trusted full-time employee) to delegate HR tasks to. All four cafes questioned had no HR staff and all owners dealt with all HR practices themselves, in addition to working shifts and all other tasks within the business, resulting in an inequal work-life balance.
- 4. In the case where there is no HR personnel employed, café owners should consider familiarizing themselves with crucial HR practices, including communication skills and efficient skills to deal with termination of contracts. This will ensure they are promoting healthy employer-employee relationships and communication, for example.

## 7.2 Implications of Findings

The researcher will now suggest how the findings of the study may be important for Dublin cafes going forward, in terms of, policy and procedures.

In terms of cost, it would not cost much extra for a café owner to assign 5 hours per week to a staff member, for example, to do some extra HR duties. It may be a wise investment for the owners to take part in a HRM course, part time or online. t could cost anywhere from 1,000 euro upwards. This will ensure the owners are aware of the basic HR strategies which would promote employer-employee relations and therefore promote a more successful organization. Owners are required to undertake the course once and the researcher believes it will set them up with the necessary skills for life, to run the people management side of their business. For the owners to ensure they are up to date with all new HR practices and policies, the researcher would recommend the owners to go online and ensure that they have all the correct information regarding HRM in Ireland, including certain laws surrounding HR practices.

Although the above implications may cost extra time and money, it would benefit the organization long-term. Due to Covid, spending money on HR right now may not be the owner's priority but investing some time to strengthen their HR practices and policies during the quieter times Covid has brought, would only benefit the organisation.

## 7.4 Personal Learning Statement

The participation in this dissertation allowed me to gain knowledge about HRM practices in Dublin cafes. I have always had an interest in this sector and opening my own café down the line is something I have thought about. I also got great insights into how these SMEs survived during the turbulent times Covid has thrown the country into. The interview process was unique, as each participant felt somewhat vulnerable and uncertain about what the future will hold, due to the pandemic. This allowed for very deep and meaningful chats with each employee and owner.

My research allowed me to examine previous crisis literature and make links to my own findings. Linking theory to practice allowed for me to better understand the difficulties these SMEs face on a daily basis, particularly during Covid. I have never conducted research of any kind, the whole process was nerve wrecking to think about at the beginning but once I finished my first interview, a feeling of both excitement and curiousity replaced the feeling of nervousness- I was finally able to make sense of related literature! As my dissertation progressed, I found myself understanding other journals and theses significantly better. Before my research, I glanced over certain sections of journals and papers, instead of fully reading them,

as they did not make much sense to me. I feel like the research increased my confidence and understanding around HRM and research itself. These were some of the highlights from my research journey.

There are definitely areas I could improve in. I have always been a 'words person' over a 'numbers person'- hence the qualitative research approach. In saying that, I could certainly improve in terms of expressing my opinions (and the opinions of others), in a clearer, direct and more concise manner. All in all, this research allowed me to explore an area where I am extremely interested. It will certainly benefit me in my day-to-day work life. I hope I will be able to use the information I found during the course of this research in the future, whether I am contributing to somebody else's organization or my own.

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## **Appendices**

## Appendix A

#### PARTICIPANT INFORMATION SHEET

I would like to invite you to take part in a research study. Before you decide you need to understand why the research is being done and what it would involve for you. Please take time to read the following information carefully. Ask questions if anything you read is not clear or if you would like more information. Take time to decide whether or not to take part.

#### THE TITLE OF THE STUDY:

An exploratory inquiry into the implications Small-Medium Sized Businesses (SMEs) may face in the absence of well-established Human Resource (HR) practices, particularly during times of global crises.

#### WHO I AM AND WHAT THIS STUDY IS ABOUT:

I am student, currently studying a Masters in Human Resource Management (MAHRM) at National College of Ireland. This research is an exploratory inquiry into the Human Resource (HR) practices currently being implemented in small-medium sized firms (SMEs) and the implications, if any, they may face in the absence of well-established HR practices during global crises, such as Covid-19.

The research is being undertaken as part of my dissertation for my master's qualification.

#### WHAT WILL TAKING PART INVOLVE?

You will be an anonymous participant in this study. Your involvement will consist of having a chat with me about HRM in SMEs in general and during Covid-19. The chat should not exceed over 20-30 minutes in duration. We will meet wherever suits you best and relevant social distancing measures will be respected at all costs. The chat will be audio-recorded , only if that is okay with you and agreed upon prior to the chat.

#### WHY HAVE YOU BEEN INVITED TO TAKE PART?

This study is collecting data from both, SME owners and SME employees. Interviewing these two groups of people will allow me to gain accurate and experiential knowledge of HRM in SMEs from the people who work at these organizations and know them the best. Your personal thoughts and opinions will give the me a unique and characteristic insight.

#### DO YOU HAVE TO TAKE PART?

Your involvement in this research is completely voluntary. You have the right to refuse participation, refuse any question and to withdraw from this study at any stage. There will be no penalties whatsoever in the case of a withdrawal.

#### WHAT ARE THE POSSIBLE RISKS AND BENEFITS OF TAKING PART?

The benefit of taking part in my study is, you will be taking part in a new research project that will examine local Dublin businesses during Covid-19. It is all new and unfamiliar. The study's findings will be

interesting, and you will be part of that. You will exercise your own autonomy and take an active role in the local community and society.

An example of a possible risk you may be thinking about is, your employer finding out about you speaking with me, please be assured that all participants will remain anonymous. Also, there may be a risk of discomfort if we are speaking about a negative experience you had. Please remember, everything you say to me will be confidential and you can change your mind about answering questions at any point.

#### WILL TAKING PART BE CONFIDENTIAL?

Although the final research will be available to the public, confidentiality and anonymity of all participants can be assured.

I will audio tape the chat, but all audio recordings will be held on an encrypted device. In the research, I will refer to participants as 'Participant 1,2,3', no real names will be used in the research. I would like to make it clear that non-anonymized data in the form of signed consent forms and audio recordings are collected and retained as part of the research process, this will be kept secure.

I would like to highlight that I may have to break confidentiality: if I have a strong belief that there is a serious risk of harm or danger to either the participant or another individual (e.g. physical, emotional or sexual abuse, concerns for child protection, rape, self-harm, suicidal intent or criminal activity) or if a serious crime has been committed.

#### HOW WILL INFORMATION YOU PROVIDE BE RECORDED, STORED AND PROTECTED?

Signed consent forms and original audio recordings will be retained on my laptop, where there is strong encryption, until after my degree has been conferred. A transcript of interviews in which all identifying information has been removed will be retained for a further two years after this. Under freedom of information legalisation you are entitled to access the information you have provided at any time.

#### WHAT WILL HAPPEN TO THE RESULTS OF THE STUDY?

My plan for my research is to submit it as part of dissertation for my Masters degree. I have no plans to use it further.

#### WHO SHOULD YOU CONTACT FOR FURTHER INFORMATION?

Researcher: Tori O Connor <u>x19121156@student.ncirl.ie</u>

Supervisor: Bronwyn Mac Farlane <a href="mailto:bronwyn.mcfarlane@ncirl.ie">bronwyn.mcfarlane@ncirl.ie</a>

I would like to thank you for taking the time to read this information sheet, if you have any further inquiries, please do not hesitate to contact me.

### Appendix B

#### **Informed Consent Form**

Tori O Connor: torimarieoconnor@gmail.com

**MA in Human Resource Management** 

School of Business, National College of Ireland.

This research is an exploratory inquiry into the Human Resource (HR) practices currently being implemented in small-medium sized firms (SMEs) and the implications they may face in the absence of HR during global crises, such as Covid-19.

Human Resource Management (HRM) is the process of managing employees in an organization. HR's main goal is to achieve organizational success through its employees. The functions of HR include, recruitment, training, communication, administration, pay and employee motivation and development. HR personnel would typically be available to deal with employees during crisis times. This research will explore the implications, if any, certain organizations may face without HRM, during times of crises, such as Covid-19.

Your involvement in this research is completely voluntary. You have the right to withdraw from this study at any stage. There will be no penalties in the case of a withdrawal. Although the final research will be available to the public, confidentiality and anonymity of all participants can be assured.

#### Participant – Please complete the following; (Circle Yes or No for each statement).

I have read the e-mail sent to me in relation to the research Yes/No

I have the opportunity the ask questions and discuss this study Yes/No

I understand the information provided Yes/No

I received satisfactory answers to all my questions Yes/No

I agree to be interviewed in the course of this research Yes/No

I am aware that the interview will be audio taped Yes/No

I am aware that my response may be anonymously quoted in research-based papers Yes/No

I am aware that I can withdraw from this research study at any time Yes/No

Signature: I have read and understood the information in this form. The researchers have answered my questions and concerns have been addressed and answered by the researchers. I have a copy of this consent form. Therefore, I consent to take part in this research study.

Participant's Signature: _	
Name in Block Capitals: _	
Date:	

## Appendix C

## **Interview Questions**

## **Café Owner Questions**

#### Introduction

- How long has your business been open?
- What were the main reasons you wanted to open your own business?
- What are the advantages of owning your own business?

For example:

- Flexibility
- Creativity
- What are the disadvantages of owning your own business?

For example:

- Stress
- Long hours
- Uncertainty of income

## **Human Resource Management (HRM)**

- Do you have Human Resource personnel in place? Why? Example: Cost
- What benefit might having HR personnel in place bring? What activities could a HR person cover that are now part of your role/someone else's role?
- Do you feel like the psychological needs of your current employees are being met? ( I.e. do they feel safe and secure at work?)

#### Covid-19

- How badly is Covid-19 affecting your business? (Did you close temporarily/ permanently?)
- Did you have any crisis plans prepared before Covid?
- Did you have to terminate contracts or temporarily lay off staff contracts due to Covid?
- Do you feel like you had the necessary skills to deal with employees during Covid?

#### For example:

- Terminating contracts
- Internal communication
- Health and safety
- Were you worried about your staff during the pandemic?

#### For example:

- Mental health
- Financially (Covid Emergency Payment)

## Life after Covid

- How do you think things will be for your business going forward?
- On refection, is there anything you'd do differently from a staff point of view. Also, how would you describe relationships with staff before and after the crisis?
- Would you like to add anything else at all regarding Small-Medium sized businesses and Covid? or Human Resource Management in Small businesses?

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## Appendix D

## **Interview Questions**

## **Employee Questions**

#### Introduction

- How long are you working at this organization?
- What are the advantages of working in a small-medium sized business like this cafe?
- Are there any disadvantages to working in a small-medium sized business?

## **Human Resource Management**

- Does the cafe you work for employ any Human Resource (HR) staff?
- If not, do you think your employer deals with HR practices well?

(Example: recruitment, training, health and safety, data and pay related issues)

Do you feel safe and secure at your place of work?

#### Covid-19

- Has Covid impacted your place of work? (I.e. did it close temporarily)
- Do you think your employer was sufficiently prepared and able to deal with the crisis? (in relation to staff issues & concerns/ health & safety)
- How did Covid affect you?

#### For example:

- Financially (Covid payment?)
- Mentally

## Life after Covid-19

- How do you think work life will be after Covid?
- How would you describe the relationship between you and your employer, before and after crisis?
- Would you like to add anything more about small-medium sized businesses during Covid? Or Human Resource Management in Small-medium businesses in general?