

AMERICAN UNIVERSITY OF BEIRUT

TRANSFORMING HUMAN RESOURCES FUNCTIONS TO
STRATEGIC: EVIDENCE FROM INTERCONTINENTAL
HOTELS GROUP (IHG) IN LEBANON

By
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AN ABSTRACT OF THE PROJECT OF

Rania Semaan Chaybane for Master of Human Resources Management
Major: Human Resources Management

Title: Transforming Human Resources functions to strategic: evidence from Intercontinental Hotels Group (IHG) in Lebanon

The purpose of this project is to examine the HR functions used at Intercontinental Hotels Group (IHG) that manages six hotels in Lebanon: Intercontinental Phoenicia, Intercontinental Le Vendome, Crowne Plaza Beirut, Holiday Inn Verdun, Staybridge Suites Verdun and Intercontinental Mzaar, and to provide relevant suggestions that could improve the performance of the hotels' HR departments towards becoming more of strategic partners. Accordingly, the aim is to conduct an HR gap analysis in order to identify the current practices, underline the weaknesses in the HR departments, recommend how to transform the HR departments of these hotels to strategic HR functions, and eventually provide relevant suggestions that could improve their performance and efficiency.

The outcomes of this project will serve as a reference for the hotels' HR teams. The study goes further to define strategic human resource management and how this could be applied in the selected hotels. This study will help the hotels to implement best practices in human resources management, which ultimately aims to boost their business performance in the Lebanese market.

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CHAPTER I

INTRODUCTION

Transforming HR Functions to Strategic: Evidence from Intercontinental Hotels Group (IHG) in Lebanon.

Effective human resources management (HRM) is an essential component of success for any business in any industry. HRM practices, though, can be significantly affected by a wide range of factors, including sector and culture. The purpose of this present project is to examine the HR functions used at International Hotels Group (IHG), which manages six hotels in Lebanon: Intercontinental Phoenicia, Intercontinental Le Vendome, Crowne Plaza Beirut, Holiday Inn Verdun, Staybridge Suites Verdun, and Intercontinental Mzaar. The project will seek to develop relevant suggestions that could improve the performance of the hotels' HR departments in the direction of becoming more effective strategic partners. Accordingly, the project will conduct an HR gap analysis in order to identify the current practices HR functions of IHG, identify weaknesses in the HR departments, and develop recommendations regarding how the HR functions could be transformed in order to improve the performance and efficiency of IHG.

The outcomes of this project will serve as a reference for the hotels' HR teams. The project will help further define strategic HRM in a clear way and describe how this concept could be applied to good effect within the selected hotels. Before commencing with data collection, the present researcher will conduct a thorough review of the literature regarding HRM (i.e. the concept of strategic HRM and how the hotels' HR

departments can become effective strategic partners) in order to ensure that the methodology of the project is informed by what is thus far known about this topic. The findings of this project will help the hotels implement best practices in HRM, with the ultimate objective of boosting IHG's performance on the Lebanese market. A qualitative approach is used in this research, in order to develop insights about how HR departments in Lebanon can improve their understanding of how to strategically manage their workforces.

CHAPTER II

LITERATURE REVIEW

A. Strategic human resources management

A very important concept from the relevant literature for the present project is strategic human resources management (SHRM). SHRM is essentially a new, long-term, focused view on HR functions that updates more traditional views on HR functions. Rather than focusing on day-to-day issues and functions, SHRM focuses on deeper issues such as long-term personnel management; planning talent supply and demand for future needs; and organizational structures, values, culture, and commitment (Beer & Eisenstat, 1997). A key goal of SHRM is thus to ensure congruence between HR functions on the one hand and the company's holistic business strategy on the other. And this implies a shift of HR functions away from a purely administrative role and into a more fully strategic role.

In a way, it could be suggested that SHRM requires managers to evolve into true leaders. As Nayar (2013) has indicated, a manager tends to merely "count" value, whereas a leader actually creates new value; and whereas a manager's main task is organizing work, the leader has a more expansive focus on genuinely moving and motivating people. SHRM requires managers to not just execute technical policies on the basis of rote skill but to also develop a visionary dimension that enables them understand the relationships between the aspects of day-to-day HR functions and the broader strategy and values of the company as a whole—that is, to develop and sustain links between the small picture and the big picture. This is considerably different from the traditional conceptualization of the manager as just more or less a bureaucrat.

This is part and parcel of the argument made in the relevant literature that HR must become a strategic partner within a given company (Lawler & Mohrman, 2003). In this context, the term "strategic partner" means that HR cannot continue to be considered as a department that is merely concerned with the pragmatic, day-to-day functioning of the company; rather, HR must begin to actively create value in a way that is congruent with the values, mission, and vision of the company. HR is generally well-placed to achieve this, given that HR works at the level of the organization as a whole. In this context, becoming strategic would mean that HR functions must begin shedding light on organizational planning, development, and design. According to Lawler and Mohrman (2003), adding a strategic dimension to HRM will require the HR department to close the gap between its own policies and the overall functioning of the company, unify and streamline work teams within the company, and develop effective work rotation cycles.

Sheehan (2005) has indicated that a main barrier to the implementation of this vision of SHRM consists of the level at which HR managers are actually included in strategic decision-making in many companies. It is often the case that HR managers are not even included in the management teams that are responsible for making such decisions. And even when they are, it is entirely possible that HR managers will be glossed over by their colleagues or fail to make meaningful contributions, due to both lack of respect from colleagues and personal lack of interest in these business processes. The dominant mentality would seem to be that running a business is one thing, and HRM is another thing, and that these two things are meant to operate within their own spheres. In contrast, the paradigm of SHRM suggests that these spheres must be integrated if a given company is to truly function in an optimal way.

It may also be worth considering SHRM from a more theoretical perspective. According to Delery and Doty (1996), the SHRM paradigm is conceptualized from three main angles: universalistic, contingency, and configurational. Universalistic means that SHRM often considers itself to be in congruence with universal human values and thus a key to success within any organization. Contingency means that SHRM can also be considered as valuable in certain business situations, whereas other models may be more or at least equally effective in other specific situations. Configurational means that that SHRM can also be understood as a specific means of arranging organizational departments or structures; in this view, the model would be a kind of tool to optimize the internal linkages between the different parts of a given organization.

Table 2.1. Concept of Delery and Doty (1996)

Paradigm	Principle	Implications
Universalistic	SHRM is congruent with key principles of human nature and psychology in a way that other HR models are not	all organizations, everywhere, should implement SHRM whenever possible, and they will benefit as a result
Contingency	SHRM is one model among many; the effectiveness of the model must be evaluated in terms of its appropriateness to a given situation at hand	organizations should carefully consider whether the implementation of SHRM will help enhance their pursuits of their missions, visions, and values
Configurational	SHRM is not so much a vision as it is a way of developing organizational structures in order to optimize the performance of an organization as a whole	in this sense, all organizations would want their HR to become "strategic;" but that sense may always become a somewhat trivial one

As a matter of fact, debate over SHRM would seem to mirror debate over leadership paradigms. For example: is transformational leadership a uniquely powerful

and universally effective for of leadership, or is it one tool among many in the hands of leaders and managers? (Goodwin, Whittington, Murray, & Nichols, 2011). The connection between SHRM and leadership will be considered further below.

In any event, one of the main criticisms of SHRM that has been made in the relevant literature is that it is not theoretically coherent enough to serve as an actual model or paradigm for organizational practice (Wright & McMahan, 1992). Indeed, the sheer number of ways in which SHRM could be conceptualized almost makes one wonder if the concept itself is a kind of inkblot test, where leaders and managers tend to see in the concept whatever they want to see in the concept. The present literature review will primarily address SHRM from a behavioral perspective, or in terms of the effects that SHRM can be expected to have on employees' motivation and performance (Barbuto, 2005). However, it must be acknowledged that there is no consensus in the literature that this is the best and only way to think about SHRM. This is simply the angle that has been chosen for the present project because it is the angle that will be most productive in terms of the project's own objectives. SHRM seems to have often been used in this way in the literature: the concept seems to be more pragmatically useful than it is theoretically clear and distinct.

Ulrich's (2009) article is probably the clearest explication of the implications of SHRM that can be found in the extant literature. According to Ulrich, the traditional HR manager can fulfill one of four strategic roles: partner, administrative expert, employee champion, and change agent. The meaning of SHRM becomes clearest when one considers the fact that most managers tend to fulfill the role of administrative expert almost exclusively, at the expense of the other three roles discussed by Ulrich (2009). SHRM would thus imply an essential transformation and evolution in the nature and

role of the manager itself: it would imply the manager becoming much more active and creative within his organization, as opposed to merely implementing the policies formulated by others in a more mechanical way.

Table 2.2. The role of HR – Ulrich’s four-role model

Manager role	Description	Paradigm
Partner	works with the rest of the organization in an equal as opposed to subordinate way	SHRM
Administrative expert	implements the existing policies and protocols of the organization	Standard, SHRM
Employee champion	works toward ensuring that employees are more empowered and holistically taken care of	SHRM
Change agent	generates new policies that will be implemented across the organization	SHRM

The administrative role is generally what defines the average HR manager, with real decision-making power being left to higher-ups within other departments. However, there are other roles that the manager can fulfill; and in order to achieve SHRM, it is imperative that the manager does in fact fulfill them.

In particular, it is perhaps worth focusing on the SHRM role of employee champion in a little greater depth. The idea here is that the role of the manager is not merely to implement the policies of others and to ensure that employees are in line with them, but rather to actively listen to employees' concerns and work toward developing and implementing new policies that meaningfully address those concerns. This also dovetails into the role of the HR manager as change agent. In general, these considerations suggest a *behavioral* conception of SHRM, in which the success of the organization as a whole will hinge on the capacity of HR managers within the

organization to understand the psychology of their employees and optimizing the performance of the employees on the basis of this understanding.

By a behavioral perspective, what is meant here is that employees are human beings with the typical hierarchy of needs inherent to all human beings, and that some forms of leadership and HR management are more congruent with activating higher or deeper potentials with employees than others (Maslow, 2013). SHRM can be understood as a strategy to get the most out of employees. Crucially, though, it would also seem that SHRM relies on conception of *power* itself in terms of not control over others, but rather in terms of the empowerment of others (Holloway, 2010). This has significant implications for leadership and management, which will be discussed further in the appropriate section below. What can surely be suggested for present purposes is that SHRM, while somewhat vague and fluid as a concept is also not arbitrary: it points in a rather specific direction with respect to how HR relations within an organization ought to function.

In this context, a final suggestion that could be made here is that the concept of SHRM often serves more as an imperative, in the almost deontological sense, than anything else. SHRM provides a kind of ideal with respect to how an organization should be structured, along with basic principles that can allow an organization to become structured in that way; but it has proven notoriously difficult to actually define SHRM in clear theoretical terms. One tends to know SHRM when one sees SHRM. In a way, theoretical solidity may only make the application of SHRM more difficult, in so far as SHRM is less about principle than it is about generating creative potential within the organization.

B. SHRM and leadership

It is worth considering the fact that the paradigm of SHRM would seem to have affinities with some forms of leadership and not others. In particular, by affirming that the HR manager is supposed to evolve into a true leader, SHRM is more congruent with the paradigm of transformational leadership than it is with the paradigm of transactional leadership. According to Barbuto (2005), the transactional leader mainly motivates subordinates in an extrinsic way through the implementation of a system of rewards for compliance and punishments for noncompliance; whereas the transformational leader motivates subordinates in an intrinsic way by inspiring them and catalyzing identification between the workers and the vision, mission, and values of the company as a whole. This form of leadership is clearly what is called for by SHRM, with transactional leadership being more reflective of the traditional focus on nuts-and-bolts management rather than the development of real strategic vision.

There may be certain unique challenges, though, to the implementation of transformational leadership within the region of the Middle East. As Greaves (2012) has indicated, leadership culture within the Middle East tends to be informed by values that may seem very foreign from a Western perspective. For example, family ties tend to be important, and Islamic values can play a huge role in informing people's perspectives, in a way that Christian values stopped informing Western governance and the Western business world quite a long time ago. A private company, of course, will surely encounter strictly economic forces that will push it toward finding the most pragmatically effective way forward, without being held back by values that are not relevant to such success. Nevertheless, it would be a mistake to underestimate the significance of these values within the Middle East, or the potential complications that

they could cause if a given company tries to implement a transformational leadership paradigm for the management of its workers. There are things that Westerners may take for granted that simply do not obtain within the Middle Eastern context.

Be that as it may, it is still worth stating that the successful implementation of SHRM will almost certainly involve moving leadership in the direction of the transformational paradigm. This is for the simple reason that transformational leadership is uniquely suited for the project of linking up the daily tasks of HRM with the broader vision of the company as a whole and connecting each individual worker with that vision (Goodwin, Whittington, Murray, & Nichols, 2011). If cultural barriers emerge, then these would need to be addressed in a way that enables cultural values to contribute to and not detract from the vision of the company. In the final analysis, every company must develop its own organizational culture; and if the surrounding culture challenges the organizational culture, this does not make the latter itself any less important for the company's success.

C. Overview of IHG

Finally, before concluding this literature review, it may be worthwhile to provide a little information about the company IHG itself. On the basis of IHG's (2016) own executive report on trends in their market, the conclusion can be drawn that the company has a solid grasp of the nature of the global economy today and what people around the world have come to expect from it. For example, IHG (2016) has written the following: "While people want to be respected for their individuality, they also want a feeling of inclusivity. They want their uniqueness to be recognized and they want to belong to something meaningful. It is not enough to merely join a database and receive

a reward. People want a sense of belonging" (p. 4). Of course, IHG has written this about its customers, and not its employees; but if this same logic were to be turned inward and applied to the employees of the company, then IHG would in fact be an excellent position to begin the development and implementation of SHRM.

Again, SHRM is all about building a bridge between day-to-day organizational operations and the broader strategic vision of the company (Beer & Eisenstat, 1997). Likewise, transformational leadership, with which SHRM has clear affinities, is all about intrinsically motivating workers by getting them to personally invest in the strategic vision of the company (Barbuto, 2005; Goodwin et al., 2011). In this context, if IHG were to turn attention to giving *its own employees* the same kind of individuality within inclusivity and uniqueness within belonging that the company strives to deliver to its customers, SHRM would almost naturally follow as a matter of course. This is because ultimately, the integration of a strategic vision into HRM would fundamentally change how employees relate themselves to the company as a whole. They would no longer be cogs in a machine, but rather valuable members of an integrated and values-driven team.

CHAPTER III

PROJECT OBJECTIVES & RESEARCH QUESTIONS

A. Project objectives

The present project will have seven main objectives. These objectives will be the following:

1. To provide a comprehensive overview of the HRM function, its importance, and its development into strategic human resources management.
2. To explain how to transform the hotels' HR departments from administrative departments to strategic business partners.
3. To explain how to align the HR strategies and objectives with the hotels' strategies and vision.
4. To conduct a gap analysis for the HR departments, identifying all potential weaknesses in the structure and operation of these departments.
5. To present a review of the findings and comparing the findings to the SHRM approach and paradigm.
6. To present conclusions and recommendations regarding needed refinements, adjustments, and implications SHRM in the hotel, as well as avenues for future research.

By achieving these objectives, the present project should be able to make a meaningful contribution to the literature regarding the paradigm of SHRM, and especially its implementation within a Middle Eastern context. The findings of the present project will be analyzed in terms and within the context of the key themes from

the literature that have been identified in the review above. This will ensure that new findings are as grounded within the existing knowledge on this subject as possible.

B. Research questions

The primary research question of the present project is the following: How can IHG effectively transform the hotels' traditional HRM by adding a strategic dimension and developing SHRM?

The project will seek to address this primary research question through an exploration of the following four research sub-questions:

1. What are the facilitators and barriers regarding HRM transformation in the hotels under study?
2. What should the hotels' HR departments do in order to work toward enhancing their effectiveness?
3. What should the hotels' HR departments do in order to enhance their success?
4. What should the hotels' HR departments do in order to improve the business performance of IHG within the Lebanese market?

In this context, effectiveness can be understood as a metric pertaining to the internal coherence and efficiency of HR practice; success can be understood as a metric pertaining to the satisfaction of employees with HR services provided; and business performance can be understood as a metric pertaining to the macro-level finances of the company as a whole.

Insights generated by investigation of the four research sub-questions will ultimately need to be synthesized together in order to develop a more comprehensive understanding of how IHG could overcome key barriers and take advantage of key

facilitators in order to transform its HRM into SHRM and pursue holistic success. Each sub-question is thus a dimension that will add insight into the primary question, until the picture fills out and it becomes possible to develop concrete recommendations.

CHAPTER IV

METHODOLOGY

A. Method

The methodology of the present project will rely on qualitative data collection and analysis. The qualitative method has been selected over the quantitative method due to the fact that in order to begin to understand the nature of HRM within IHG and the barriers that stand in the way of transformation in SHRM, it will be necessary to glean insights from the actual experiences of managers within IHG who are responsible for the HRM function. The qualitative method is well-suited for this endeavor. In contrast, the quantitative survey method may have been useful if the purpose was to gain a broad understanding of the opinions of workers themselves. At the present time, though, not enough is known about the specific topic at hand, and using a survey method would have run the risk of producing findings that were more or less irrelevant to the actual question at hand. Of course, there would have also been issues related to gaining access to the relevant subjects. The decision was thus made that the qualitative method would be the most efficient, effective, and useful way to approach the primary research question of the present project.

Within the qualitative method, the main data collection process that was used in the project was the structured in-depth interview. In general, this is an excellent way to get all the qualitative feedback possible on a given topic from the selected subjects. The interviews focused on the role of HR within the hotels of IHG and proposed recommendations for transforming HRM within the hotels through the development of a strategic dimension. This included prompts about both current practices and desired

future practices. The interviews were recorded via the use of audio tape, and transcripts were written on the basis of the recordings. The transcripts are in the English language.

B. Sample

Six senior HR professionals in the IHG hotels were recruited for the present project. The sampling method used was purposive: the idea was to select the specific persons from within IHG who would be able provide the greatest amount of valuable information with respect to the research question at hand. This was appropriate, given the qualitative nature of the study design. When conducting quantitative research, it is essential to select a sample in a randomized way, because the value of findings is based on statistical generalizability from the sample to the population, and the sample will not be representative of the population if it is not selected at random. In qualitative research, though, there are no statistics involved, and the most important thing is to produce a broad and rich base of verbal data from which conclusions can be drawn in a comprehensive way. Purposive sampling is well-suited for achieving this end. For similar reasons, a small sample is also perfectly acceptable within the context of qualitative research.

The six subjects who were conducted for the present study consisted of the following:

- Cluster Director of HR—Intercontinental Phoenicia & Le Vendome
- Personnel Manager—Intercontinental Phoenicia & Le Vendome
- Assistant HR Manager — Holiday Inn
- HR Coordinator — Staybridge Suites
- HR Supervisor—Intercontinental Mazaar

- Assistant HR Manager—Crowne Plaza Beirut.

C. Research site

In general, it is important that interviews take place in a private setting, in order to ensure that the privacy and confidentiality of the subjects are protected. This is especially the case given that that the present project sought to interview high-ranking managers within the IHG hotels: without the guarantee of privacy and confidentiality, they may have felt reluctant to speak about the topic at hand in a forthright and open way. More generally, any subject, in any qualitative study, is more likely to produce high-quality data if he is as comfortable as possible. As such, all interviews were conducted inside the premises of the relevant hotels themselves: each senior HR professional was interviewed within his/her hotel.

Adequate contact was made with the six selected managers, and the data provided by these subjects at the selected research sites were adequate for the purposes of this project. Again, when it comes to qualitative research, the number of subjects selected is far less important than the quality of data produced, with the minimum acceptable sample size being determined only by how many interviews or angles may be needed in order to gain an adequate grasp of the phenomenon under consideration.

D. Recruitment process

All the participants (only the six senior HR professionals of Intercontinental Hotels in Lebanon) have been informed about the future study during a previous meeting that includes HR professionals of hotels in Beirut. No information has been

collected from the potential candidates; it was only an informal discussion to test their acceptance and readiness if the study happens.

After the approval of IRB, all the participants will be officially recruited by email and after their acceptance, by face to face interviews in their respective hotel. The email will explain to them the objectives of this study and will ask them to select a convenient date & time for the interview.

During the interview, participants will be asked to sign an informed consent form for their participation in this study that will include; the purpose of the study, disclosure of risks if any, benefits of this research, privacy/ confidentiality, who will access the data, who has access to the identity of the participants, their rights to withdraw at any point, and the consequences of withdrawal. Debriefing will be provided to all the participants, and results of the research will be presented upon request once the study is completed.

E. Data analysis

The information that was collected from the subjects through the structured interview process was qualitatively analyzed using the thematic analysis method. This method involves identifying, analyzing, and reporting patterns (also known as themes) within the collected data, through a process of carefully reading over the transcripts and coding key parts of the transcripts in an iterative way, until connections between different ideas or pieces of data within the different transcripts began to reveal themselves in a coherent way. The main concepts emerged from the data itself, as opposed to pre-existing concepts being imposed on the data, although Ulrich et al.'s (2009) HRM theory guided the formation of interview questions. The findings of the

project were then considered in light of the existing knowledge that emerged in the literature review in order to draw out as much meaning from the findings as possible.

F. Interview protocol

The structured interviews with the selected subjects consisted of ten questions, including both, multiple choice and open-ended free response question. These were the ten questions that were developed for this project:

1. What areas of operation does the HR department work on? (multiple choice)
2. Does the HR department coordinate operations for other departments? (multiple choice)
3. Does your HR department provide coaching to other departments? (multiple choice)
4. Does the HR department facilitate changes in the company? If so, what changes? (free response)
5. Do staff members have access to people in the HR department? If yes, then for what purposes? (multiple choice)
6. Does HR participate in administrative management in other departments? (free response)
7. Does HR introduce new policies and procedures to improve department performance? (free response)
8. Do you feel that the HR department listens to employees' concerns? (free response)
9. In your opinion, is there anything that the HR department can do better for the company? (free response)
10. What do you think is the best change the HR department could make for the company? (free response)

It is also worth noting here that the multiple-choice questions were not in fact quantitative in nature. They merely included the main options that the subjects would be likely to report, in order to make the interview process easier for the subjects and facilitate successful completion of the entire interview

G. Theoretical Framework

The present project was loosely informed by Ulrich et al.'s (2009) HRM theory, especially when it came to developing the interview questions delineated above. According to this theory, there are four main roles that the HR manager can adopt: one, strategic partner; two, administrative expert; three, employee champion; and four, change agent. These roles are not mutually exclusive with respect to each other, although any given HR manager is likely to be engaged primarily in one or the other of the roles at any given time or within any given situation. With respect to SHRM, the main point that could be made is that the traditional, non-strategic HR manager would likely just occupy the role of administrative expert at all times, without developing capabilities in the other three roles. In contrast, the manager who wants to facilitate the transformation of his department along the lines of SHRM would need to develop capabilities in all four roles: the role of administrative expert would be where his job begins, and not where it ends.

For example, the very idea of transforming the entire HR department would put the HR manager in the role of change agent. Likewise, if SHRM is to work, then the manager would have to become a strategic partner. And finally, given the affinities between SHRM and transformational leadership discussed in the literature review above, it is likely that the HR manager who is dedicated to SHRM will also find himself

becoming an employee champion. This is because in order to connect the small picture of day-to-day operations with the big picture of strategic vision, the HR manager will have to work toward winning over the hearts and minds of his employees, and inspiring them to become invested in the vision of the company as a whole, as opposed to merely being concerned about making sure that they get their paychecks and stay out of trouble.

Within this overarching framework of Ulrich's (2009) theory, though, the present project has adopted an approach that is congruent with the ethos of grounded theory. Grounded theory is often misunderstood as simply signifying a lack of proper rigor (Suddaby, 2006). In reality, though, grounded theory is a method for developing novel insights out of a body of data that may have otherwise not been accessible to the researcher. It is a matter of organically working toward developing concepts and insights out of the internal structure of the data itself, as opposed to primarily considering the data in terms of whether it confirms or contradicts a previously existing theoretical structure. Ulrich's (2009) theory was thus used to provide general guidance and a general frame of reference, but the present project has not restricted itself to focusing only on the concepts found within that theory.

Grounded theory is reflected in the present project's data analysis method of coding the retrieved data on the basis of the themes that emerge from the data itself. It is a ground-up, as opposed to top-down, approach to data analysis. The constant comparison method, which is an iterative process of perpetually checking the data against itself until key themes begin to crystallize, is one effective way to go about achieving the desired result in this regard (Dye, Schatz, Rosenberg, & Coleman, 2000). This is very different, for example, from simply using the concepts of Ulrich (2009) as the pre-existing schema of categories for data analysis, even as his theory has provided

a good orientation regarding key points to which attention should perhaps be given when analyzing the data in a grounded theoretical manner.

H. Results

1. Subject 1 – Staybridge Suites Beirut

The first subject was the HR coordinator at Staybridge Suites, Beirut. In the multiple-choice responses, this Subject 1 indicated that his HR department was involved with the operations of multiple other departments, including administrative, training, and organizational restructuring operations. He also indicated that his department is responsible for coordinating operations for other departments, as well as providing coaching for other departments with respect to administrative and organizational management. It was also reported that all staff members have access to the HR department in order to provide feedback, voice opinions about management, and provide new ideas for changes within the company.

According to Subject 1, his HR department was an important change agent within the company: "HR is responsible to keep the internal policies up-to-date, restricting, training management and team members on new company standards and most importantly market study of salary, compensation and benefits." Subject 1 also suggested, however, that his HR department does not have the level of decision-making power that he would like: "HR should be given the flexibility and trust to be more involved in decision making rather than just implementing them, especially in the Middle East and in particular Lebanon." In other words, Subject 1 experienced structural barriers within IHG that prevented his HR department from acting as a true strategic partner within the company. Rather, it seemed that the HR department was

expected to merely implement the policies that were developed by others, as opposed to having an active say in the policy development process itself. It is also interesting that Subject 1 seemed to face issues in this regard at least in part to the cultural specificities of the region of the Middle East.

2. Subject 2 – Crowne Plaza Beirut

The second subject was the Assistant HR Manager at Crown Plaza, Beirut. Subject 2 responded to all of the multiple-choice questions in the interview with an "all of the above." This indicates that his HR department works in all areas of operations, coordinates with other departments in all areas of operation, provides management coaching for other departments, and allows access to the department for all staff members who have questions, concerns, or feedback of any kind. This would seem to indicate that Subject 2's HR department is highly involved with the hotel as a whole, and that at least to this extent; the department is well on its way toward the SHRM transformation. The rest of Subject 2's responses tended to focus on how important it is to have policies that encourage employees in an effective way.

For example, Subject 2 has suggested that the main change that is initiated by his HR department consists of top management changes, which requires an effective communication plan in order to keep employees informed about what is going on. Likewise, Subject 2 reported the following: "A tremendous importance is keeping the best employees at work. Talented staff plays a key role in successful restructuring; however, they are often the first to leave when a company's future prospects are unclear. At the same time, the fastest way to ruin employee morale is to give special treatment where it is not due." Subject 2 thus seems to have a strong emotional and interpersonal

awareness of the status of the employees in his hotel, and what it would take in order to keep them productive, happy, and at work. This is also potentially a good sign that the HR department is on its way to the SHRM transformation, in so far as high employee morale and investment in the company would be essential for the implementation of this paradigm. Subject 2 has also emphasized the importance of creating real "bonding" with the team, and getting his employees to feel that they belong to a meaningful group.

3. Subject 3 – Holiday Inn Beirut

The third subject was the Assistant HR Manager at Holiday Inn, Beirut. Subject 3 responded affirmatively to almost all of the choices on all of the multiple-choice questions. The data indicates that his HR department works in all areas of operations, coordinates administrative, relationship management, and training operations with other departments, provides staff and organizational management coaching for other departments, and is accessible by staff members for any reason. Moreover, though, Subject 3 has indicated that his HR department explicitly fulfills a strategic function within the hotel: "The HR department facilitates changes in the company by taking a strategic business planning role and managing the human resources of the organization in a way that matches its strategic objectives, mission, and vision." This is more or less a textbook definition of SHRM.

Likewise, Subject 3 has indicated that his HR department is able to introduce new policies in order to pursue the strategic vision of the company in a more effective way. He has also reported that one of the main improvements that could be made is to involve the HR team itself to a greater extent: "To involve the team in human resources system development that is aligned with developing and implementing the strategy of

the business." Essentially, from the SHRM perspective, Subject 3 would seem to be doing more or less everything right in order to facilitate the SHRM transformation. His responses indicate that he is familiar with the nature of SHRM, as well as the nature of what it means for his own HR department to become a strategic partner within the company. Given that Subject 3's HR department is already highly involved in operations all across the hotel, and given his commitment to further pursuing the strategic alignment of his department with the company, this manager's department would very much seem to be on a good track.

4. Subject 4 – Intercontinental Le Vendome

This subject reported that his HR department was involved in all areas of operations except project and productivity management; that it cooperated with all other departments; that it provided coaching for staff and organizational management but not for administrative management; and that staff members had full access to people in the HR department, including the power to file a grievance if necessary. Subject 4's HR department would thus seem to be well-connected with the other departments within the organization and also supportive of the employees of the organization as a whole. These are essential requisites for the practice of SHRM. However, Subject 4 has also indicated that the administrative role of the HR department is relatively minimal: it only fulfills the traditional roles of checking up on attendance and taking care of the payroll.

All the same, Subject 4's HR department is in fact empowered to create its own policies: "when a need in the operation arises that is related to the employees and facilitates their work or helps to avoid problems in daily work, HR needs to introduce new policies and procedures in collaboration of the seniors of the department who are

experts in their areas." The department thus has internal autonomy to control its own policies. Moreover, Subject 4 has indicated that employee survey is conducted twice a year, and that communication sessions are held afterwards in order to discuss any concerns that emerged. But the subject has also indicated that the HR department could perhaps be more knowledgeable about the organization as a whole. The impression one gets is that Subject 4's organization has met many of the necessary conditions of SHRM, but that it may not quite be engaged in full-fledged SHRM just yet.

5. Subject 5 – Intercontinental Phoenicia Beirut

Subject 5 has answered "all of the above" to the questions on the areas of operation that the HR department is involved in as well as the areas of operation that are coordinated by the HR department for other departments. The subject has also indicated that the HR department is involved in organizational management, but not in administrative or staff management. The primary change that the HR department initiates within the company is cultural change; and employees are given access to the department to provide feedback on operations and express opinions about the management, but not to provide new ideas for changes within the company. Subject 5 has also indicated that the HR department "frequently" develops and implements changes in order to enhance the quality of performance within the department itself.

In particular, it is worth noting that in the data retrieved, Subject 5 has clearly affirmed his view of his HR department as a strategic partner within the organization: "In our role we are acting as strategic partner to help the company attain its vision. The focus should be on talent development." So, Subject 5 considers his HR department to be strongly involved with the other departments of the organization; and he also has a

vision of what his department in particular can contribute to the effectiveness and performance of the organization as a whole. Moreover, this is supported by the HR department's own active involvement with employees, including the provision of space and opportunity for employees to open up about their concerns. In short, in terms of both vision and practice, Subject 5's HR department would seem to be well on its way toward achieving the SHRM transformation.

6. Subject 6 – Intercontinental Mzaar

Subject 6 has indicated that his HR department works in the areas of administrative, internal evaluation, training and staff development, and organizational restructuring operations, but not in relationship management or project/productivity operations. The department, however, also coordinates operations with all other departments within the organization. According to Subject 6, his HR department only provides staff management coaching for other departments; and employees of the organization have access to the HR department for all reasons, including the reason of providing new ideas for change within the organization. Subject 6 has suggested that his department is in tune with the general principles of business partnership, such that the HR department is not viewed as subordinate within the organization as a whole but rather as a strategic partner that essentially specializes in support.

Subject 6 has given an unusually thorough response regarding the ways in which his HR department facilitates changes within the organization as a whole. These ways include:

- providing employees with orientation upon hiring
- training employees

- rotating employees
- recognizing employee achievements

According to Subject 6, this last point regarding recognition would not seem to be primarily a matter of motivating the employee through extrinsic rewards, but rather of genuinely appreciating the employees' personal investment in the company as a means of both strengthening the organizational culture and cultivating intrinsic motivation. Understood in this way, Subject 6's HR department is doing several things right with respect to achieving SHRM.

I. Thematic analysis

Considering the responses from the above subjects, one of the first points that grab attention is the fact that there is a near-consensus among them on all of the multiple-choice questions within the interview protocol. That is, all above subjects have indicated that their respective HR departments are engaged in a wide range of operations across the hotels, cooperate with other departments, and provide management coaching for other departments. All above subjects have also reported that staff members have access to the HR department for essentially any reason at all. This is a solid baseline of consensus, then, that can be seen across the interview transcripts. There is no response indicated that the HR department of a given hotel is dysfunctional or withdrawn from engagement with the other departments of the hotels; rather, all the responses suggest the presence of a highly engaged and cooperative HR department within the hotels.

This could perhaps be understood as a kind of foundation for SHRM, even if it is not outright SHRM as such. That is, the above subjects have essentially indicated that their HR departments do in fact pragmatically function well. However, there was nothing in the multiple-choice questions themselves that could allow the researcher to conclude in favor of the actual presence of the SHRM paradigm as such. Rather, these questions were meant to reflect on whether the HR departments are in fact functioning well and in coordination with the other departments. But this is what the HR department in general is supposed to do, even with the traditional, non-strategic HRM paradigm. Even within the traditional paradigm, an HR department that is not accessible to the staff members would need to be passed as dysfunctional. So, the convergence of response on the multiple-choice questions simply indicates that IHG is competent at maintaining functional HR departments.

In order to thematically analyze the subjects' responses open-ended questions, the main idea from each of the responses for each of the subjects was recorded in tabular form, producing the following:

Table 4.1. Analysis of subjects 1, 2 and 3

	Subject 1	Subject 2	Subject 3
1	HR is responsible for keeping policies up to date and ensuring compliance with company standards, study compensation	top management changes can throw off or confuse workers; HR must address concerns	HR strategically works across the five components: recruitment, performance, compensation/benefits, employee relations, recognitions/rewards
2	assists other departments have smooth operations	participates in administrative management of other departments	supports administrative management of other departments
3	keep everything up to date	HR introduces allowances, benefits, and rewards programs	HR creates new policies in order to express values and expectations
4	for HR, collective good is more important than individual concerns	communicate openly with employees, treat them the way you would want to be treated	HR is fully dedicated to listening to employees and helping them resolve any issues they may have
5	HR in Middle East must be given more power to engage in decision-making, not just implementation	important to create bonding within the team, understand workers' perspectives	important to develop policies and leadership that are congruent with organizational culture and needs
6	important to improve workers' satisfaction through career development perspective	need to work toward keeping best employees at work, create an environment of fairness	involve team in HR development, understand strategic relationship, put right people in the right places at the right times

Table 4.2. Analysis of subjects 4, 5 and 6

	Subject 4	Subject 5	Subject 6
1	works to manage staffing changes associated with company merger, acquisition, et cetera	works toward the implementation of cultural change within the organization	orients, trains, and rotates employees; recognizes exemplary employee achievements
2	monitors attendance and manages payroll	participates in the administrative management of other departments	participates in business operations, supports other departments
3	develops new policies for overcoming problems in daily work	introduces new policies in order to improve internal department performance	introduces policies based on analysis of smooth organizational functioning
4	conducts employee survey twice a year and discusses results in order to address concerns	space and opportunity is provided for employees to open up about concerns	makes itself available to address any concerns, whether professional or personal, that employees may have
5	the HR department could know more about the organization as a whole than it currently does	ideal is to work as a strategic partner, making a unique contribution in the area of talent development	ideal would be to develop programs, such as legal advice, that support employees in more holistic ways
6	important to holistic help employees to improve their productivity	cultural and process changes are the most important contributions the department can make	flexibility and approachability is key for a good HR department

On the basis of this table of data, three broad codes were developed for organizing the data. These were: employee relationship factors, organizational culture factors, strategic vision factors. Through an iterative process of looking over the transcripts as well as the summary of the transcript material in the above table, specific codes were developed under the umbrellas of the broad codes, and then examples from the data were assigned to each of the specific codes. This form of thematic analysis produced the following matrix:

Table 4.3. Thematic analysis

Broad Codes	Specific Codes	Examples
Employee relationship factors	fairness in providing compensation/ benefits	nothing drains morale worse than providing compensation/benefits when they are not in fair order
		crucial to keep the best employees with the company with dynamic policies
	open communication with employees	top management changes carried out by HR can confuse employees if there is no communication
Organizational culture factors		problem: sometimes, HR's concern for collective good makes it difficult to resolve all individual concerns
	initiative for HR departments	HR responsible for keeping all policies up to date and ensuring implementation
		problem: in the Middle East, HR is often not trusted with actually making decisions; only with implementing the policies made by others
Strategic vision factors	leadership within HR departments	paradigm 1: carefully monitor compensation/benefits in order to keep employees as happy as possible
		paradigm 2: actively listen to employees' concerns, take their perspectives, include them to a greater extent in the policy development process
	components of strategic vision	recruitment, performance management, compensation/benefits, employee relations, recognitions/rewards
		alignment of ground-level policies with the mission, vision, and values of the organization as a whole
	barriers against strategic vision	a lack of trust in HR departments, especially in the Middle East
		pressures of meeting the collective good can produce a need for pragmatic policies that are not necessarily in strategic alignment

So, two specific codes were developed for each of the three broad codes, for a total of six specific codes: fairness in providing compensation/benefits, open communication with employees, initiatives for HR departments, leadership within HR departments, components of strategic vision, and barriers against strategic vision. Two specific examples from the data have also been provided above for each of these codes, for a total of 12 examples. Some of these examples provide straight forward information about what the Senior HR Professionals' interviewed, did in order to ensure success; some of them reflected problems that they have experienced when attempting to work in an optimal way; and some of them provided new concepts that could be utilized for analyzing the data in a deeper and richer way. In general, much of the data focused on either the HR departments' relationships with the other departments of the company, or on the policies that directly related the HR departments to their employees. In the midst of this data, though, one could also see the unique code of strategic vision factors emerging, although this data was often blended in with responses to the other codes, whereas the other codes tended to stand by themselves in a more unified way.

CHAPTER V

ANALYSIS, CONCLUSION AND RECOMMENDATIONS

A. Analysis of findings

Looking over the data and the coding above, one of the first things that one notices is that in the entire data set, there is in fact only one single explicit reference to the specifics of Middle Eastern culture. In this piece of data, the subject reported that his HR department was primarily responsible only for the implementation of existing policies and not for engaging in independent decision-making and actually developing new policies; and he suggested that this is at least in part due to cultural factors within the Middle East. The idea of HR existing primarily to carry out the wishes and policies of other stakeholders would be antithetical to the emergence of HR as a real strategic partner; and this may be conditioned by patterns of leadership and hierarchy that tend to be characteristic within the Middle East.

This is admittedly the only reference to this point within the entire data set. However, given the small sample of the present study, a single reference must not be discarded as anomalous. Rather, every reference must be treated as intrinsically valuable in its own right, and potentially throwing light on a whole dimension of the issue that may have otherwise been ignored by the researcher. Moreover, this is especially the case if the reference in the data set is supported by the existing literature on this subject, as is in fact the case regarding the reference to culture in the Middle East in the particular piece of data under consideration here. Only one of the six subjects mentioned this point, which could mean either that this subject was culturally more self-aware than the other subjects, or that the other subjects simply had more important

points on their minds. Either way, the main idea here is that this individual piece of data is valuable and provides insight into barriers against SHRM for IHG.

Moving on, the data set as a whole clearly provides juxtaposition between two different modes, or paradigms, of leadership, as was predicted by the part of the literature review that considered the affinity of SHRM with transformational leadership (Barbuto, 2005). On the one hand, the data indicates that the subjects were concerned with optimizing compensation and benefits in such a way that fairness prevails and the best employees would stay with the company. While this is clearly a worthy goal, it is also true that in terms of the HR manager roles delineated by Ulrich et al. (2009), it does not really exceed or surpass the role of the HR manager as an administrative expert. That is, the optimization of compensation/rewards is a normal part of HR function even with the traditional paradigm of HRM, and it is premised on motivating workers in an extrinsic way (i.e. on the basis of their own rational self-interest).

Hints of another paradigm, however, can also be seen in the data set. This has to do with listening to employees in a careful and individualized way and working toward empowering them to participate in the development of policies within HR departments. This is congruent with the paradigm of transformational (as opposed to transactional) leadership, in which employees are motivated primarily through inspiration, identification with the company as a whole, and the feeling that the success of the company is also their own personal success (Goodwin et al., 2011). This does not imply foregoing administrative expertise when it comes to compensation and benefits; however, it does imply the HR manager going beyond the role of administrative expert and beginning to fulfill the other roles, such as employee champion, as well. No matter how well the administrative expert role is fulfilled by any given HR manager, this in

itself will likely not be enough to catalyze the shift of the HR department as a whole toward the SHRM paradigm. Rather, a more visionary approach would be required, in which the HR manager evolves into a true leader.

A similar tension can also be seen when it comes to conceptions of the actual role of the HR department within the context of a given organizational structure and culture. Some of the data indicates that this role consists primarily of keeping records and policies up to date, and ensuring policies are implemented in an efficient and effective way. This is clearly important; but at the same time, it turns the HR department into a rather mechanical function, which is not compatible with the department becoming a real strategic partner. In contrast to this would be the HR department that has the autonomy to actually develop its own policies as an authentic expression of the values and standards of the company as a whole, and then enable those policies to shape and change the broader culture of the entire company.

In the same way, one of the more interesting pieces of data collected from the interviews has indicated that there is a tension in the HR department between the collective good and individual concerns, such that the subject found it difficult to address all of the concerns of each and every employee in a effective way, in so far as this would detract from the pursuit of the collective good. This mindset, however, is probably not congruent with the move toward the SHRM paradigm. If HR is to create new value and influence the culture of the company as a whole, then this would surely need to begin with an individualized consideration of all employees and a process through which employees' concerns and feedback can be naturally integrated into the pursuit of the collective good. Indeed, this is exactly how it would become possible to bridge the divide between day-to-day operations on the one hand and long-term

strategic vision on the other. The collective good cannot be understood as an abstraction that moves on its own, independent from the actual good of each individual employee who will be responsible for ensuring the success of the company as a whole. This shift in mindset is essential for the SHRM transformation.

Finally, it is worth considering the piece of data in which the five main components of effective HR functions are clearly delineated by one of the subjects, these being: recruitment, performance management, compensation/benefits, employee relations, and recognitions/rewards. This provides a broad and holistic indication of what would need to be done in order to ensure a solid workforce for IHG that would be able to sustain the implementation of the SHRM paradigm. It is worth noting, though, that what is important may be not the individual components as such, in and of themselves, as much as how the HR manager and the company as a whole engages with these components. For example, each of these components could also be interpreted and implemented in such a way that they support the traditional, non-strategic HRM paradigm as opposed to the SHRM paradigm. Considering all of the components together, though, will likely encourage the HR manager to develop a coherent vision that is congruent with the vision, mission, and values of the company as a whole and prevent any one component from becoming isolated from the broader vision.

Ultimately, then, the data set points toward the necessity of changing the leadership paradigm within IHG hotels toward a more vision-driven and values-based paradigm, and away from a merely pragmatic or more mercenary paradigm. Within such a paradigm, compensations/benefits would still play an important role, but their purpose would be not so much to extrinsically prod the worker into compliance but rather to recognition the dignity of the worker and the value of his achievements for the

company. Likewise, leadership must become more dynamic, with the HR manager being able to lead actual policy initiatives and then disseminate them across the company, as opposed to the other way around, where he is merely responsible for implementation of the policies of others. This paradigm shift will be essential if IHG is to shift toward SHRM in an effective way.

In terms of Delery and Doty's (1996) conceptualization of the three approaches to SHRM (universalistic, contingency, and configurational), it can be suggested that the data gathered in the present study strongly affirms the universalistic approach over the others. This conclusion is based on the fact that for all six of the subjects, SHRM was generally taken for granted as something that should in fact be achieved; and in general, the organizational weaknesses referred to by the subjects all pertained to the fact that HRM within their organizations was not strategic enough. Moreover, even though there was in fact one reference to cultural barriers to SHRM within the Middle East, it is also worth noting that this reference suggests that the cultural barrier is in fact a *limitation* that must be overcome, and not merely a natural difference that must be respected, as would be the case of the contingency approach were valid. All the interviewed senior HR professionals had the sense that SHRM is important not because it may be merely useful within one or another contingent situation, but rather because SHRM is deeply congruent with human nature, such that any organization that adopts SHRM can thereby expect to meet with success in multiple potentially unanticipated ways, in so far as the general morale of the employees would be greatly improved.

To an extent, the data also supports the configurational approach to SHRM; however, this may to some extent be more a matter of semantics than anything else. In truth, Delery and Doty's (1996) concept of the configurational approach does not seem

to have clearly delineated from the other two approaches in the first place. All management paradigms are by definition configurational, in the sense that there is no way to operationalize a paradigm without reconfiguring connections within a given organization. So, in so far as SHRM is understood universalistically, this would imply that all managers should work toward transitioning their organizations toward SHRM; and this is in fact what comes across in the data gathered through the present study. It would thus perhaps be best to not think of configurational as an alternative to universalistic or contingency, but rather as a dimension that can be a part of both of these approaches.

This conclusion would seem to be based on the natural affinity between SHRM and transformational leadership, and in how SHRM inherently relies on the cultivation of intrinsic motivation among employees (Barbuto, 2005). SHRM is fundamentally about empowering HR departments as well as all employees in such a way that they are able to participate in their organizations in a fuller and more meaningful way. The value that is to be found in this is intrinsic to human psychology and not restricted to one or another cultural or situational context. Therefore, the implication would be that the universalistic approach to SHRM is in fact the *correct* one, in that this is the approach that does the greatest justice to the premises and objectives implicit in the SHRM paradigm.

The data would thus also seem to suggest a rejection of the contingency approach to SHRM. This is because the data suggests that the value of SHRM is not in fact culturally relative, and that there are universal conditions that must be met in order for any given organization to optimize its HR performance. For example, there is a line in the data that indicates that no employee could be satisfied with an unjust system in

which merit is not adequately recognized. This is not an observation that is limited in relevance to the Middle Eastern hotel business; rather, it reflects a general structural feature of human psychology, which any HR manager would only ignore at his own peril.

It will also be useful to analyze these findings based on the model developed by Ulrich et al. (2009). Again, according to Ulrich et al., the HR manager can play a fourfold role: partner, administrative expert, employee champion, and change agent. The theme of the HR manager working as a partner repeatedly emerged within the data collected by the HR managers. The subjects often explicitly used the word "partner" to describe the relationship between their HR departments and their organizations as a whole. This is a key part of the SHRM transformation; indeed, the entire concept of SHRM is premised on HR departments evolving into the role of full partners as opposed to fulfilling some subordinate role within their organizations. It seems that the hotel managers interviewed for this project were achieving good results in guiding their organizations in this direction.

The role of the HR manager as an employee champion also emerged throughout the collected data. Several subjects reported that their HR departments not only provide logistic services for the employees regarding paychecks, but also provide collective support services, including a forum for expressing concerns in an open way and balancing problems they are experiencing in their lives. This is an active approach to HRM that is very much consistent with the SHRM paradigm. It is not totally clear whether the HR departments at several selected hotels can be understood as actually "championing" the employees per se. However, it is clear enough that at the very least, all the signs of championship are present, and this may help an organization as far as it

could be reasonably expected to go within an industry as competitive as the hotel business.

The data also indicate that the role of change agent (Ulrich et al.'s, 2009) is fulfilled by some of the selected hotel managers. Almost all the subjects stated that their HR departments are at least autonomous with respect to formulating and implementing internal policies. Some subjects indicated that their HR departments also had broader autonomy to formulate policies for the organization as a whole on the basis of their observations of concerns affecting employees. This latter kind of autonomy would be ideal, whereas the first kind (internal autonomy) could be understood as a valuable stepping stone. One of the six subjects, though, suggested that his HR department was stuck in the old paradigm, with the organization as a whole not trusting the department to formulate and advocate for new policies.

Finally, the collected data lack some evidence regarding the role of the HR manager as administrative expert. To be fair, however, this is likely due to the simple fact that exploring this role was not the focus of the present project, and the questionnaire was not designed with this role in mind. That is because the role of administrative expert is the *traditional* role of the HR manager, and any competent manager even under the old, non-strategic paradigm is required to fulfill this role. The question of SHRM can be understood as the question of the manager building beyond this fundamental role and expanding to include the other three roles defined by Ulrich et al. (2009). This means that practically it can be assumed that all the subjects already fulfilled the role of administrative expert, insofar as this is the baseline expectation that organizations have of any HR manager.

Let us now go back to the main research questions of the present project (see p. 18 of present document). Regarding the first question, it can be suggested that a major driver of HRM transformation within the hotels under study simply consists of an awareness of the best practices among HR managers: they realize that becoming strategic will in fact be a good way to enhance the performance of their organization as a whole. Middle Eastern culture may be a barrier to some extent, but surprisingly, this was not a fundamental theme in the data. Regarding the second question, it seems that in order to enhance effectiveness of the hotels' HR departments, HR managers should fulfill all four roles described by Ulrich et al.'s (2009). As for the third question, this can also be expected to generate general success. The same applies to the fourth question about enhancing business performance. In short, becoming strategic can address all these research questions in a meaningful way.

Based on this analysis of the findings, the key conclusion is that the HR managers of the hotels selected for this project are generally doing very well, and that they would be well-advised to stay on the same course they are pursuing right now. It is not clear, however, if IHG's (2016) performance is inconsistent within Lebanon or the Middle East as a whole: IHG may have a distinct advantage due to its international orientation and the fact that its corporate values are overall consistent with the basic values of SHRM. If this is considered as an anomaly, then when it comes to other businesses or industries, it is expected that cultural barriers particular to the Middle East would be stronger and provide greater resistance against the SHRM transformation. Although it is a minor theme in the collected data, there is enough evidence to suggest that such barriers do in fact exist; and it is possible that IHG has avoided the full force

of those barriers in a way that other companies within Lebanon may not be able to do so. Care must thus be taken in generalizing the findings of this study.

B. Recommendations

On the basis of the above analysis, four main recommendations can be made regarding HR policy for IHG:

The first is that the company as a whole should strongly consider the implementation of the transformational leadership paradigm across its hotels. The rationale for this recommendation is that the transformational leadership paradigm has strong affinities with the SHRM paradigm: it is based on the empowerment of employees and managers and the encouragement of employees and managers to actively produce new value for the company. If HR departments in the hotels are to shift away from a merely mechanical function and toward strategic partnership, then this kind of empowerment is absolutely essential, and the implementation of a new leadership paradigm would likely prove to be an effective way to make progress toward that end.

The second recommendation is that HR departments across the hotels should be authorized, immediately, to develop their own policies and present those policies for approval to the other departments within the company. This recommendation is based on the fact that according to one of the subjects who was interviewed, cultural factors within the Middle East have tended to hold HR departments back from playing an active role in their companies, instead reducing them to the level of mechanically implementing policies that have been handed down by others. This is completely

incongruent with the conception of the HR department as a strategic partner within the company. As such, this is an issue that should be reversed as soon as possible. It would seem from the data that different hotels of IHG have somewhat different policies in this regard, with some hotels having more enlightened policies than others. IHG should work toward achieving a universal policy for the hotels regarding the proper role and autonomy of the HR departments.

A third recommendation that can be made here is that IHG should establish lateral channels of communication between the HR departments of each of their hotels, so that the departments can work toward developing policies at the level not just of the individual hotels but rather the company as a whole. This would greatly strengthen the coherence of the organizational culture of IHG. It is clear from IHG's (2016) own words that the company has a very strong idea of who it is and who it wants to be. In order to pursue this vision and mission, it is important for HR policies to be developed in a company-wide way, as opposed to being developed in a more piecemeal or decentralized fashion. Of course, cooperation between the different HR departments would only produce true value if those HR departments are first of all empowered to generate new policies for the company as a whole, as per the second recommendation made above.

Finally, a fourth recommendation that can be made here is that IHG should perhaps begin developing social programs for its employees that enable them to get to know each other better and form a real sense of community. This is congruent with what IHG (2016) is already delivering for its customers, and there is no reason why the

company should not also deliver that for its employees. Such programs may both foster a sense of group cohesion and make employees feel more valued as individuals within the company. Moreover, such programs may have the added benefit of strengthening the organizational culture of IHG as a whole, as employees begin to identify more with their company and less with the cultural surroundings. This could potentially enable the HR departments across the hotels to pursue new and innovative policies without being held back by the more traditional values of leadership and management that may be present within the region of the Middle East and that may inhibit certain possibilities for dynamism and creativity.

C. Conclusion

In summary, this project has consisted of a qualitative study regarding the shift from traditional HRM to the SHRM paradigm for the company IHG within Lebanon. The study collected data from senior HR professionals within the IHG hotels through the use of the method of structured interview, and it proceeded to analyze the data through the use of the thematic analysis method. On the basis of this analysis, insights have been gleaned with respect to employee relationship factors, organizational culture factors, and strategic vision factors within the HR departments of the hotels of IHG. In general, it would seem that these HR departments have the basics down in a solid way, and that they are already working with other departments within the company on a wide range of operations. This means that the foundations have been established, and the HR departments may be well-poised to make the jump to the SHRM paradigm in their future operations. The recommendations made above are designed to help IHG achieve this end.

A weakness of the present project probably consists of the small sample size, even for a qualitative study. Unfortunately, this could be helped, and it leaves open the possibility that certain key themes regarding the topic at hand were missed, or that the key themes identified have not been weighted relative to each other in a proportional way. On the other hand, though, strength of the present project is that despite this limitation, the study did manage to draw a considerable breadth of insight from the data that was retrieved. This was helped by both the initial literature review and the guiding theoretical framework, which helped contextualize the findings within a broader picture and thereby draw as much meaning and insight from them as possible. In conclusion, the recommendations made above can be called valid, and they should be adopted by IHG as part of the company's pursuit of the SHRM transformation.

APPENDICES

APPENDIX I

ORAL CONSENT SCRIPT– SBS STUDENT PROJECT

“Transforming HR Functions to Strategic: Evidence from Intercontinental Hotels Group (IHG) in Lebanon”

Dr. Dima Jamali
Rania Chaybane

Dear Sir or Madam:

My name is Rania Chaybane and I am a graduate student in the Olayan School of Business at AUB, Masters of Human Resources Management.

I would like to invite you to participate in a research study that I am doing as part of my studies at AUB. The research is about investigating the HR functions used at the Intercontinental hotels in Lebanon. The purpose of the study is to help the Intercontinental hotel’s HR department be a strategic partner with the business and thus adding more value to the firm.

This research will involve your participation in an interview that should take approximately one hour.

You are being invited to take part in this research because you are the senior Human Resources Professional in an Intercontinental hotel in Lebanon and we feel that your experience can contribute much to our understanding and knowledge of HR functions of the hotel.

Your participation in this research is entirely on a voluntary basis and refusal to participate or deciding to withdraw from the study will involve no penalty or loss of benefits to which the subject is otherwise entitled and neither will it affect their relationship with their workplace and AUB.

The interview will be conducted in a private setting to ensure your privacy and confidentiality of data.

If you do not wish to answer any of the questions during the interview, you may say so and we will move on to the next question. If at any time you would like to stop participating, please tell me and we can take a break, stop and continue at a later date, or stop altogether. No one else but the interviewer will be present unless you would like someone else to be there. At the end of the interview, you will be provided by a copy of the consent form.

I would like to tape record this interview so as to make sure that I remember accurately all the information you provide. The information recorded is confidential and records will be monitored & may be audited by the IRB while assuring confidentiality. If you don’t prefer audio-taping, I can take some notes during the interview if you don’t mind.

I may also use this information in articles that might be published, as well as in academic presentations. Your individual privacy and confidentiality of the information you provide will be maintained in all published and written data analysis resulting from the study.

There will be no direct benefit to you and you will not be provided any incentive to take part in the research, but your participation is likely to help us find out more about HR functions in hotels. The benefits which may reasonably be expected to result from this study are enhancing the HR department performance in each HR function and help the department to add value to the business and to become more strategic.

If you have any questions, you are free to ask them now or later. If you have any questions as a participant in this research you may contact by email the principal investigator of this study, Professor Dima Jamali, at dj00@aub.edu.lb. This proposal has been reviewed by the AUB Social & Behavioral Sciences Institutional Review Board, which is a committee whose task it is to make sure that research participants are protected. If you wish to find more about the IRB, contact by phone 01-350 000 ext. 5445 or 5454 or irb@aub.edu.lb.

Participant

I have read the foregoing information, or it has been read to me. I have had the opportunity to ask questions about it and any questions I have been asked have been answered to my satisfaction. I consent voluntarily to be a participant in this study.

Participating

Audio-taping

Name of Participant _____

Signature of Participant _____

Date _____

Day/month/year

APPENDIX II

THIS NOTICE IS FOR AN AUB-IRB APPROVED RESEARCH STUDY FOR DR. DIMA JAMALI AT AUB

It is not an Official Message from AUB

INVITATION LETTER

Dear (Senior HR Professional),

I am a Masters in Human Resources Management (MHRM) student at the American University of Beirut (AUB). I am currently working on my thesis, which addresses the strategic role of Human Resource Management and aims at assessing the role of human resources (HR) by targeting a sample of six hotels in Lebanon, part of Intercontinental Hotels Group (IHG) in Lebanon. I have a great interest in the topic of strategic human resource management (SHRM) and aim to evaluate the status of SHRM in these hotels, at a time when HR is slowly gaining prominence in the Middle East region. My advisors for this thesis are Dr. Dima Jamali and Dr. Lina Daouk from the Olayan School of Business at AUB. My graduation will depend on the completion of this thesis.

This study is purely for research purposes. The main objectives of the study are:

- Providing a comprehensive overview of the HRM function, its importance, and its development into strategic human resource management.
- To explain how to transform the hotels' HR departments from administrative departments to strategic business partners.
- To explain how to align the HR strategies and objectives with the hotels' strategies and vision.

In light of that, and if you are available, I would highly appreciate if you can help me in scheduling an appointment with you for an interview. You are being invited to take part in this research because you are the senior Human Resources Professional in an Intercontinental hotel in Lebanon and we feel that your experience can contribute much to our understanding and knowledge of HR functions of the hotel. The interview will take place in your hotel at your convenient date & time.

If you have any questions, you may contact by email the principal investigator of this study who is my advisor , Professor Dima Jamali, at dj00@aub.edu.lb or you can contact me on my mobile number 00961 3 139 107 or on my email address raniachayb@hotmail.com.

Awaiting your earliest reply,

Rania Chaybane
Masters Human Resource Management.

APPENDIX III

INTERVIEW QUESTIONS FOR THE SENIOR HR PROFESSIONAL OF EACH HOTEL

1. What areas of operations does the HR department work on?
 - a. Administrative Operations
 - b. Relationship Management Operations
 - c. Internal Evaluation Operations
 - d. Training and Staff Development Operations
 - e. Organizational Restructuring Operations
 - f. Project and Productivity Management Operations
 - g. Other: _____

2. Does the HR department coordinate operations for other departments? If yes:
 - a. Administrative Operations
 - b. Relationship Management Operations
 - c. Internal Evaluation Operations
 - d. Training Operations
 - e. Other: _____

3. Does your HR department provide coaching to other departments? If yes:
 - a. Administrative Management
 - b. Staff Management
 - c. Organizational Management
 - d. Other: _____

4. Does the HR department facilitate changes in the company? If so, what changes?
 - a. _____

5. Do staff members have access to people in the HR department? If yes:
 - a. To give feedback on operations
 - b. To voice opinions about the company's management
 - c. To provide new ideas for changes within the company
 - d. Other: _____

6. Does HR participate in administrative management in other departments?

7. Does HR introduce new policies and procedures to improve department performance?
8. Do you feel that the HR department listens to employee's concerns?
9. In your opinion, is there anything that the HR department can do better for the company?
10. What do you think is the best change the HR department could make for the company?

Thank You for Your Time. We Greatly Appreciate Your Help.

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