

High-commitment HRM practices during the financial crisis in Portugal: Employees' and HR perspectives

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Abstract

Over the recent decades, organizations have had to face a number of major external shocks and crises. Acquiring a better understanding of how human resources are managed under such critical conditions constitutes the main purpose of this study. We conducted a study triangulating different sources (employees, HR managers, and secondary data) and types of data (quantitative and qualitative) to explore how employees in Portuguese organizations perceived the HR practices' implementation during the years of the financial crisis (2011–2014) and how HR managers explained it. Longitudinal evidence from 53 organizations attests to perceived decreasing trends, particularly in training and development and performance management. HR managers legitimize these trends, embracing conventions and revealing the impact of coercive and normative pressures. Our findings highlight the need for renewed attention to be paid to the contextual pressures on HR managers' decision-making and actions that could severely endanger their role as strategic partners and their embrace of sustainable HRM.

KEYWORDS

contextual HRM, HR managers, HR practices, HRM in crisis, institutional pressures, longitudinal study

INTRODUCTION

The global economic crisis that started in 2008 has affected many, if not all, of the countries in Europe. Portugal was no exception (Van Gyes & Szekér, 2013) and Portuguese organizations faced serious management challenges, including how to manage various aspects of human resources (HR). Ever since, other crises have occurred—including the one we are currently experiencing following the COVID-19 pandemic—and some authors have already warned that business cycles may become shorter (Reid & Burns, 2010). As such, decisions regarding which HR practices to adopt, the dependency of such decisions on the financial performance of a company, and the strategic reasons underlying the adoption, or absence, of certain HR practices constitute major issues (Czinkota & Ronkainen, 2009; Santana et al., 2019). How such issues are dealt with in times of a major contextual event—the onset of a crisis—is still largely unclear; yet,

this is important since it has major consequences: for society, for example, by contributing to national unemployment; for organizations, for example, by influencing their profitability; and for the individual, for example, by influencing their career (Vassilopoulou et al., 2019).

Traditional HRM research, often criticized for being a-contextual (Kaufman, 2015), seems, in most cases, to also be a-temporal (Mayrhofer, 2011). This is because most HRM research investigating contingent factors that influence features of HRM systems has prioritized internal factors over external ones, and relatively stable external factors, for example, industry contexts, over more dynamic factors such as business cycles (Jackson et al., 2014) and economic developments (Gooderham et al., 2019). Current research on HRM in societal and economic crisis situations, although still scarce, paints a differentiated picture. It demonstrates that reactions may range widely from severely cutting HR

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practices and emphasizing a “hard” approach to HRM (Cook et al., 2016) to using the situation as an opportunity to develop innovative approaches (Sheehan, 2012). However, we still know comparatively little about how HR practices change between flourishing and critical times, and how they contribute to a firm’s financial stability (Kim & Ployhart, 2014; Roca-Puig et al., 2019). Furthermore, another implicit assumption appears to be that there is a standard way to cope with managing HR and that organizations, when dealing with critical environments, have the autonomy and rationality to decide which direction to go in and how much they want to invest with respect to HRM.

Our study aims to fill this gap by making two core contributions. First, it responds to calls to integrate time—hitherto a largely overlooked source of contextual variability—as an essential feature of human and organizational lives in the study of HRM (Ancona et al., 2001; Gooderham et al., 2019; Mayrhofer et al., 2019). This is achieved in two ways: (1) by temporally situating the study within very specific circumstances, namely, the financial crisis in Portugal and (2) by looking at how organizations managed their HR over several years in response to the crisis. Second, it adds to our understanding of how organizations deal with the uncertainty created and amplified by the crisis as a specific contextual contingency, and how, in implementing the firm’s strategy, HR managers chose actions based on their own interpretation and enactment of the context (Weick, 2001).

We empirically analyze trends of employees’ perceptions about the implementation of three HR practices frequently addressed in studies on strategic HRM (training and development, performance management, and reward management) in 53 Portuguese companies during the period from 2011 to 2014, as well as the financial performance–HR link, and the justifications given by HR managers and specialists for these developments. In this way, we are able to triangulate different sources of information (employees and HR managers) as well as match multiple types of data (i.e., self-report panel questionnaires, secondary data, and interviews; Turner et al., 2017) to shed light on the complexity of decision-making in the domain of HRM, particularly in ambiguous situations.

THE CONTEXT: THE PORTUGUESE CRISIS

During the period following the outbreak of the global financial crisis, between 2008 and 2014, Portugal experienced a serious financial and economic crisis, with its GDP falling sharply and unemployment rising to record numbers. Although the crisis began in 2008, as in many other countries, it was in 2011 that the figures dramatically deteriorated (Carneiro et al., 2014).

In April 2011, the Portuguese government was forced to seek external assistance from the European Commission, the European Central Bank, and the International Monetary Fund (three external bodies known collectively as the “Troika”) and agreed to an adjustment program, defined in a “Memorandum of Understanding” between the parties. Specifically, the €78bn bailout package of the program required deep austerity and structural reforms targeting mainly the labor market, the product market, the tax system, the public sector, and the financial sector. During the Economic and Financial Assistance Program that ended in June 2014, several “austerity measures” were implemented, which led to the deficit being reduced from 11.2% (at the end of 2010) to 4.4% (at the end of 2015; Eurostat). The Troika action revolved around two strands that set specific and challenging goals in terms of deficit reduction and established guidelines within a general “spending-cut” strategy. For example, to reduce the deficit, there was a significant increase in the tax burden both on income and on consumption and, additionally, an extraordinary contribution of solidarity was levied on all pensioners with an income over 1300 euros. The “spending-cut strategy” was especially relevant for the public sector. For state workers, the cuts in their salaries reached 12%, whereas at the same time, there was an increase in social security deductions and an increase in the number of weekly working hours (from 35 to 40). Other austerity measures implemented by the Economic and Financial Assistance Program in Portugal included the suspension of the 13th-month vacation pay and a freeze on hiring, career promotion, and the receipt of Christmas allowances in twelfths. In addition, other measures aimed very broadly at reducing workers’ rights were introduced as well. The revisions of the Labor Code in 2012 included in the “Memorandum of Understanding” aimed to facilitate dismissals, reduce compensation for dismissal, and limit the coverage of collective bargaining, which led to a series of strikes and protests, especially in the transport sector (Pinheiro et al., 2019).

The financial crisis led thousands of firms to close down or reduce the number of employees. According to the Directorate-General for Employment and Labor Relations (DGERT) of the Portuguese Ministry of Labor, the number of collective dismissals reached a record number of 1269 in 2012 and involved 82,555 workers. The unemployment rate also rose significantly during those years, placing Portugal firmly on the list of EU countries with the highest unemployment rates that peaked at 16.2% in 2013 (compared to 7.6% in 2008 and 12.7% in 2011). A large survey of over 3500 firms conducted by the central bank of Portugal showed that “reducing employment was the main instrument to accommodate negative shocks, in particular through the freeze or reduction of new hires, non-renewal of temporary contracts at expiration or individual dismissals [and that an] increasing number of firms (from 25 percent in 2010 to almost 40 percent in 2013) froze the base wages of their workers” (Martins, 2016, p. 22).

A time of crisis like the one that Portugal experienced also reveals the basic position of various individual and collective actors in employment relations. Historically, HRM superseded personnel management in the 1980s, entailing an approach that included, among others, a stronger orientation toward organizational strategy and goals (for a critical view see, for example, Legge, 1995). Although, at least from its roots, personnel management had a tendency to give employees a strong voice, HRM—maybe not so much as a concept but definitely in practice—leaned more on the side of the management. Looking at Portuguese employees' and HRM's (re)action during the time of the crisis, it became obvious that the magnitude of the externally required changes and the severity of the situation also led to concrete actions. Examples include the general strikes in November 2010 (the first since 1988) and in March 2012. However, in terms of HRM, while many HRM departments made significant efforts to soften the blow linked with the austerity measures requested by management, there was no collective national action by HRM professionals. This may be also understood by considering the low participation rate of HR people in professional associations (Sousa Almeida, 2011), a sign that their organizational identity tended to overshadow their professional or “network” identity (Dubar, 1992).

LITERATURE REVIEW: HRM DURING CRITICAL TIMES

The strategic HRM approach traditionally dictates investing in high-commitment practices, involving extensive training, behavior-based appraisals, and merit-based pay systems, and aligning them to the strategic goals (Hauff et al., 2014). In this study, we focus on these three HR practices, namely, training and development, performance management, and reward management, because they are regular practices in any organization doing systematic HRM and regularly appear in studies on HR systems (Boon et al., 2019).

Despite the dominant single-sided view of HRM as being strategic (Godard, 2004), observation shows us that in most cases during economic downturns, HR activities that go under the umbrella of high-commitment practices are the first to be cut (Cook et al., 2016; Gunnigle et al., 2013; Psychogios et al., 2016). HR departments seem to step back to a “harder” approach (Storey, 1995). For example, one study explored how a nationally representative sample of organizations reacted to the Irish recession with regard to the implementation of HR practices (Teague & Roche, 2014). Two bundles emerged empirically, both involving some form of cost-cutting characterized by a pay and bonus freeze, and cuts in pay, overtime, and headcount, respectively. This is often the result of greater flexibility enabled by local institutions to stabilize the economy (Zagelmeyer & Gollan, 2012).

Investments in HR practices seem so uncommon during times of recession that Wood and Ogbonnaya (2018) include a reduction of training initiatives in their bundle of “recessionary actions” alongside increased workload, reduced working time, pay freezes or cuts, and unpaid leave. These trends may not be fully surprising since the HR function has traditionally been torn between strategic, financial, and ethical tensions (Wright & Snell, 2005) and, especially with the affirmation of the neo-liberal doctrine ideology from the 1970s onward, it has greatly conceded to it (Dundon & Rafferty, 2018). Hence, critics argue that not just in critical times the HR function has largely abdicated its role of employee champion, and “sided” with managers and owners to affirm its value as a function within the organization, acquire greater power in internal dynamics, and be seen as a strategic business partner. Playing the strategic role has more often meant acting “pro-market” rather than “pro-business” (Dundon & Rafferty, 2018), by (1) pursuing short-term profits to please the shareholders via deregulating employment norms and processes and exercising greater control over the employees to ensure efficiency and (2) seeking legitimization and approval from the management team acting as acritical “yeah-saying.” An even more disenchanting view considers the HR function as “the iron fist in the velvet glove” (Hart, 1993); accordingly, critical situations would not push the HR toward “resuming” to a harder approach. Rather, such situations would simply let the HR’s true nature emerge, revealing that “humanistic” and “soft” approaches to HR management are, in fact, not much more than rhetoric to achieve the only goal of profit maximization (Collins & Woods, 2009). Crises would, therefore, legitimize the pursuit of mere economic goals via the weakening of workers and unions (Heyes et al., 2012). In line with this, there are even documented cases in which companies can take advantage of the labor market conditions during a recession and succeed at increasing their profits by escalating work intensification and control over employees, at the expense of high-commitment practices, even when their financial results did not justify such an approach (Cook et al., 2016).

Retrenchment or recessionary actions have proved especially negative for employees’ wellbeing and attitudes at work (Wood et al., 2020). They may also harm an organization’s performance and its capacity to get out of the crisis. For example, in a comparative case study, Santana et al. (2019) showed that a company that took longer to implement flexible and innovative HR practices, favoring instead retrenchment measures, nearly reached the verge of bankruptcy. Among the innovative practices the company finally implemented, we can find extensive training to foster cross-functionality.

However, despite retrenchment or recessionary actions appearing so prevalent to navigate critical situations, during crises, there are also examples of initiatives

combining retrenchment with some investment, such as those undertaken by organizations in specific industries and countries to counteract the effects of the crisis. One such example would be the employment and competitiveness pacts reached in Germany, in which employees agree to reduced wages or overtime work and organizations commit to a certain level of investment (e.g., in transfers and training; Bellmann & Gerner, 2012).

Situations offer actors varying degrees of agency, and companies might preserve a focus on high-commitment practices even during turbulent times (Okay-Somerville & Scholarios, 2019). Consistent with neo-institutionalist views, there are multiple responses organizations may enact when facing turbulent times, and each response they choose offers different degrees of autonomy (Nijssen & Paauwe, 2012; Oliver, 1991). Therefore, although the received wisdom is that to overcome downturns, the way forward is to retrench investments, there are alternative perspectives that rely on non-conformist, even deviant or innovative organizational actions that, purportedly, enable the companies to survive (Nijssen & Paauwe, 2012). Such actions would be more consistent with a true strategic HRM perspective that emphasizes human capital as a source of competitive advantage (Barney, 1991; Maley, 2019).

Sheehan (2012) conducted a study on British multinational companies and their Eastern European subsidiaries showing that a firm's performance correlated not only with having articulated developmental practices but also with the extent of the provision of such practices. The author also observed a significant correlation between actual expenditure on developmental programs and a culture for development, such that even in turbulent times some subsidiaries increased their investments in the development area, which was arguably beneficial for their performance. Similarly, Garavan (2012) reported that during the period of economic downturn, many of the pharmaceutical organizations involved in his study had increased their investments in talent management (with the exception of talent acquisition activities). Underlying this was their belief that it would be strategically aligned with their business goals and would also respond well to the key challenges they faced in people management.

Appropriately investing in acquiring and developing human capital seems key to successfully navigating difficult times (Kim & Ployhart, 2014). In a study conducted on secondary data from South Korean companies over a period of 12 years, Kim and Ployhart (2014) showed that strategic staffing and internal training were beneficial to a company's competitive advantage pre-recession and, even more so, post-recession. In particular, these initiatives predicted higher pre-recession productivity, which mediated their effects on post-recession performance growth. Regarding the extent to which they continued to offer training during the recession, companies varied considerably among each other; however, changes in training investment were not related to post-recession

performance, meaning that only their prior investments accounted for their better and faster recovery.

MOTIVATION FOR THE STUDY AND RESEARCH QUESTIONS

The literature reviewed above returns a composite picture showing that the HR initiatives implemented by organizations during crises are quite diverse. We add that such a differentiated pattern is also difficult to explain. First, research on HRM during recessions has been primarily concerned with rather "objective" information on HR investments (e.g., organizational slacks or actual HR expenditure) and HR practices as intended by HR professionals. Only a few studies have privileged the employees' experience or perceptions of those practices (notably those based on the WERS data; Okay-Somerville & Scholarios, 2019; Wood & Ogbonnaya, 2018; Wood et al., 2020). To overcome the gap between intended and implemented practices (Purcell & Hutchinson, 2007), it is of paramount importance to collect information about how HR practices are experienced by employees and not only about what HR managers describe as practices in place.

Second, decisions regarding the implementation of HR practices depend as much on a deliberate organizational strategy as on external threats and opportunities (Subramony, 2006). Roca-Puig et al. (2019) have shown that there is a reciprocal causality between HR investments and profitability, via labor productivity and organizational slack, respectively. However, these relationships do not hold equal in stable versus critical times. In particular, the link between organizational slack and HR investments is reduced during a crisis, whereas the link between profitability and organizational slack is even stronger in a crisis. This suggests that, often times, it is not a mere lack of resources that explains lower HR investments but reasonings of a different nature. Yet, there is still limited research on how HR managers read a context and act upon their sense-making during turbulent times. This state of affairs translates into very limited indications for HR managers on how to approach these circumstances and balance the multiple forces at play in order to perform their role (Delbridge & Keenoy, 2010).

Third, it has emerged from some studies that organizations in Coordinated Market economies, as opposed to those in Liberal Market economies, more often favored retrenchment actions (e.g., Goyer et al., 2016; Santana et al., 2019). However, other studies have shown that organizations in Liberal Market economies can also adopt severe retrenchment measures and even do so opportunistically (Cook et al., 2016).

Considering the three gaps identified above, we aimed to accrue more empirical evidence that could contribute to filling those gaps. Our intention was to examine another example of how companies reacted to a crisis,

and we chose Portugal that is an under-researched context although one that was most severely affected by the global financial crisis. Our goal was to reach a refined understanding of the multiple elements that influence HR decisions with respect to the implementation of high-commitment HR practices during a crisis. We identify three main strengths in our work. The first is that we rely on longitudinal data from the perspective of employees, hence capturing trends of employees' perceptions of HR practices. The second is the triangulation of the employees' perspective with the one of HR managers. This was especially useful to explore how HR managers, as active actors, came to make their decisions and how they legitimize their actions, based on their assessment and understanding of the surrounding context. Third, we complemented the employees' perspective and the HR managers' account with objective company features (notably the financial performance pre-crisis) to disentangle possible predictors of the high-commitment HR practices' implementation during the crisis.

It would have been difficult to anticipate how Portuguese organizations reacted and acted during the financial crisis, as previous studies report divergent experiences—ranging from strict-cutting policies to more liberal approaches. In particular, there were the unique conditions that characterized the Portuguese crisis: The peak of the crisis hit the country more severely than many other countries, which served as examples or reminders; there was the intervention of an external regulatory body that may have played an important role and, for this reason, made it even more difficult to advance hypotheses. Therefore, rather than formulating hypotheses, we preferred to pose research questions that we aimed to answer with our study:

Research Question 1. How do employees perceive high-commitment HR practices over the years of acute crisis?

Research Question 2. Are their perceptions related to companies' financial performance, and how?

Research Question 3. How are the trends in perceived HR practices explained and legitimized by the HR managers?

METHODOLOGY

Research design

We conducted a mixed-methods study with a sequential explanatory design (Creswell et al., 2003), whereby quantitative and qualitative data are collected sequentially and independently and are integrated into the last research phase, namely, the data interpretation. We obtain greater triangulation and maximize the value of both types of data by interpreting them jointly (Gibson, 2017). Indeed, the main advantages of our

research design and analytical approach were twofold: First, we could document consistency between trends of perceived HR practices by employees and HR managers' reports of activities during those years, which increases our confidence in the findings (as opposed to single-source studies, especially in the HR domain; Guest, 2011); second, the HR managers' narratives returned a more complex picture of managing HR over the years of the crisis, enriching our understanding of why certain decisions were made—which we would not have grasped simply by matching secondary and panel data.

Quantitative part

Sample and procedure

Data for the quantitative part of the study linked primary and secondary data. Primary data were collected from Portuguese organizations over 4 years (2011–2014) through a self-report questionnaire that all the employees in each participating company were invited to complete as part of a “best place to work” survey. Surveys were conducted every year in the month of November and referred to the previous 12 months. The average number of employees that filled in the questionnaire at each wave of data collection ranged between 25,311 and 28,749, with an average response rate per company of between 67% and 73% across the years. Regarding the size of the companies that participated, 34.7% are small companies (up to 50 employees), 34.7% are medium-sized companies (between 51 and 250 employees), and 30.4% are large companies (with more than 250 employees). Although smaller companies usually do not have a fully institutionalized HRM function, this usually is the case in medium-sized and large companies.

The sample for our analyses is at the organizational level, and the number of organizations for which complete data over the 4 years were available is 53 (the sample size of organizations was 163 in 2011, 171 in 2012, 192 in 2013, and 182 in 2014). The organizations in this sample, therefore, can be characterized as resilient organizations that were able to invest in this type of survey even during a critical time. Certainly, the population from which the sample was extracted comprised firms that cared about HRM and were confident enough in their approach to people management to decide to participate in a “best place to work” survey; hence, these were companies that, “in principle,” consider HR to be a competitive factor.

We specifically tested for attrition due to the drop-out of companies that participated in 2011, which was the outset of our examination and the “crisis” itself with the country entering the assistance program. We performed a logistical regression using the dichotomous variable “droppers/stayers” as the dependent variable and the

Profit margin percentages as the independent variable. No significant differences were detected ($\chi^2 = 0.16$, $1df$, $p = 0.69$), implying that, at the start, companies that participated in all the waves were not better performers than those that dropped out after 2011. Moreover, T-tests for independent samples and Levene's tests showed no significant differences in the variances and means of profit margin percentages between the companies that have complete data over the 4 years and those that participated in the survey for only 1–3 years, suggesting that our sample, although small, is representative of the larger group.¹

For a subsample of organizations ($n = 32$), we were able to retrieve secondary data about the organizations' financial performance in 2010, that is, the year preceding our observations. For this purpose, we used Amadeus (Bureau van Dijk), which is a specialized database of European companies' data, focused on financial metrics and ownership information regarding especially—albeit not exclusively—private companies. The subsample comprises firms of varying sizes and industries (manufacturing, retail, consulting, healthcare, and pharmaceutical), which makes it comparable to the original sample. The only underrepresented sectors were the financial one (i.e., for nearly every bank in our sample, we could not retrieve financial information from Amadeus) and the public sector including schools and city halls.

Measures

The survey assessed multiple variables, but the measures of interest here concern the three areas of HR practices typically included in bundles of high-commitment practices. Items were adapted from previous studies (Demo et al., 2012; Guest et al., 2003). *Training and Development* (T&D) was measured with six items (“My organization invests sufficiently in the professional training of its employees,” “The quantity of training actions has been adequate,” “In my organization, training needs are adequately satisfied,” “The quality of training meets my expectations,” “My company encourages the acquisition of the competencies that are necessary for my career development,” and “The criteria for being promoted in the company are clear”). *Performance Management* (PM) was measured with three items (“The criteria for my performance evaluation are appropriate,” “My boss tells me what (s)he thinks of my performance,” and “The performance appraisal clearly distinguishes who is more productive”). *Reward Management* (RM) was measured with three items (“In my organization a significant part of financial rewards is associated with goal achievement,” “My salary is commensurate to my actual performance,” and “Considering my competencies and my efforts, my compensation is fair”). For all the items, the answering

scale was a seven-point Likert-type scale ranging from 1 = completely disagree to 7 = completely agree. Individual responses were aggregated at the organizational level of analysis, and the ICC(1) and ICC(2) indices support the aggregation; ICC(1) values ranged between 0.16 and 0.26 over the 4 years and the three HR practices considered, and ICC(2) values ranged between 0.97 and 0.98.

From the Amadeus database, we drew the organizations' profit margins expressed as a percentage as an indicator of their *financial performance*, and the number of employees as an indicator of *organizational size*. Organizational size is a well-recognized correlate of the adoption of HR practices because companies that are substantially different in size deal with different challenges (Kotey & Slade, 2005). However, the financial crisis likely accentuated the gap between small and large organizations. Although on the one hand, small organizations whose practices are characterized by a mixture of formal and informal elements (Marlow et al., 2010) may be more flexible and better able to adjust to new circumstances, they may, on the other hand, be affected even more severely than large firms by the cost of uncertainties and the smaller ratio between cash flow and fixed costs, which could lead them to refrain from investing in human capital initiatives.

Finally, based on the information available on companies' websites, we coded the *organizational status* for each organization as a dummy variable (1 = subsidiary of a multinational; 2 = domestic). This feature is an important control variable because foreign subsidiaries of MNCs are significantly different from domestic companies (Gooderham et al., 2006) and this status correlates with the type of HR practices implemented and the financial leeway companies may have had during the crisis (Brewster et al., 2008; Sheehan, 2012).

Data analysis

We performed a growth model using random coefficient modeling on the sample of 53 organizations matched over the years. We opted for a more restrictive approach to missing data considering that the crisis, being an unexpected and unpredictable event, does not allow us to speculate about the reasons why a company chose not to take part in the survey or to estimate values based on past or future HR initiatives. Indeed, different approaches to missing data would assume that data are missing at random (Little, 2013), which is most likely not the case in our sample.

Random coefficient modeling is a technique that allows us to model trajectories of change in variables over time within the same units of analysis. In this sense, it is a special form of multi-level analysis in that measures of HR practices over time are nested within the same organizations. Hence, the results of these analyses give important information about the starting level of HR practices

¹Results of these tests are available from the first author upon request.

on average across organizations (i.e., the intercept mean); the rate of change in these practices on average across organizations (i.e., the slope mean); the variability between organizations at their starting level (i.e., the intercept variance); and the variability between organizations in HR trends (i.e., the slope variance). Finally, it is possible to estimate predictors of the trends of change ascertained and their variability.

We followed the multi-step procedure described in Bliese and Ployhart (2002), although for parsimony we report only the main models. As a first step, we ascertained the shape of the trajectory of change of each HR practice over time, and its variability within and between organizations; in the last model, we included the firms' prior financial performance (i.e., profit margins) as a predictor of the observed trends controlling for organization size and organization status. Additionally, we tested alternative error covariance matrix structures (Singer & Willett, 2003) and compared them on the basis of AIC and BIC indices, ultimately selecting the autoregressive one that is most likely to fit the longitudinal data collected at fixed and regular points in time as in this case.

Qualitative part

Data collection and analysis

To complement the quantitative findings, we contacted a subsample of the participating organizations to schedule an interview with the HR managers. The particular subsample was chosen with the aim of maximizing the diversity of firms with regard to sector, industry and size, and the feasibility of face-to-face interviews. Wherever email addresses were available on websites or through personal contacts, researchers sent an email to the HR managers requesting an interview and explaining the goal of the survey. In other cases, telephone calls to obtain the direct contacts of the HR managers preceded the email.

Of the 30 companies contacted, 13 agreed to participate² (see Table 1 for information on the companies). The first author, accompanied by a research assistant, conducted interviews lasting around 40 min on average with HR managers or specialists between September and October 2016. All but three interviews were conducted face to face (the others via Skype), with the HR director or a senior manager (except in one case where the head of training and development and the head of performance management were both present) and were audiotaped (except in one case due to a technical issue, but extensive notes were taken).

We conducted semi-structured interviews, with the script mainly revolving around the results of the

quantitative analyses, asking our interviewees how they would explain the trends emerging from our analyses, as well as the HR practices implemented before and during the crisis, and their planning for the future.

We analyzed the data using inductive thematic analysis with no a priori categories. In thematic analysis, the main goal is to detect themes across all the interviews rather than within single interviews (Braun & Clarke, 2006). Hence, we started first by familiarizing ourselves with the data set and then by identifying initial codes, which are the lowest meaningful units for organizing extracts. Finally, we organized codes into themes, which are broader units of content and are the actual level of analysis on which the interpretation takes place.

RESULTS

Table 2 reports the means, standard deviations, and bivariate correlations among the study variables. We can observe strong correlations among the three perceived HR practices, cross-sectionally and over time. Organizational size was negatively related to the HR practices in all of the years but the last, and profit margins were positively related to HR practices in the first 2 years. We also note that profit margins present a quite high standard deviation suggesting that, despite their being "resilient" companies, our sample still counted some with a low or even negative performance after all, attesting to the face validity of the data.

By integrating our quantitative and qualitative analyses, we can point out three main findings. The first pertains to the perceived trends of the three HR practices—between companies and within each of them over time. Results of the random coefficient model, reported in Table 3, reveal significant variability in all three HR practices within companies (i.e., over time) and between companies. Model 2 (Table 3) shows a significant increase and then a significant decrease in the perceptions of T&D (0.12 and -0.04 , respectively), a lagged decrease in the perception of PM practices (-0.03) after a first period of stability (i.e., the linear component is non-significant), and no significant effect of time on perceived RM (i.e., both the linear and quadratic components are non-significant). Therefore, we can conclude that there were decreasing trends in T&D and PM initiatives as perceived by employees, although these only appeared after an initial peak or stall in 2012. We interpret this by referring to the context described above, because when the Portuguese government received the bailout and started to launch its austerity measures at the end of 2011, many organizations may have already approved a training budget and a set of developmental initiatives to implement in 2012. Accordingly, although employees' perceptions of the HR practices available to them may have not yet been affected, they were severely affected in the subsequent years in which the austerity measures had come into effect. For

²Reasons for not participating include the following: The HR manager had been recently appointed in the company, so this did not allow the person to report on the company's past or its future; the HR manager was on leave or maternity leave; and the email did not reach the recipient or remained unanswered.

TABLE 1 Characteristics of the organizations that participated in the interviews.

| Organization | Industry | Sector | Size | Number of employees 2011 |
|--------------|------------------------------|---------|--------|--------------------------|
| 1 | Technology | Private | Medium | 141 |
| 2 | Construction | Private | Small | 42 |
| 3 | Technology | Private | Large | 278 |
| 4 | Consulting | Private | Medium | 152 |
| 5 | Hospitality and tourism | Private | Small | 20 |
| 6 | Courier and delivery service | Private | Large | 300 |
| 7 | Insurance | Private | Large | 431 |
| 8 | Energy | Private | Large | 2,791 |
| 9 | Pharmaceutical | Private | Medium | 131 |
| 10 | Insurance | Private | Medium | 71 |
| 11 | Education | Public | Medium | 211 |
| 12 | Waste management | Public | Medium | 220 |
| 13 | Consulting | Private | Small | 19 |

RM, no significant change over time was observed according to individual employees' views (see Figure 1).

Many of the HR managers we interviewed distanced themselves and their company from the trends we showed to them in the graph (Figure 1). They either minimized them (*"The line for reward management is always at half of the scale, nobody is ever fully satisfied"*: O9) or negated them (*"I do not see my company here, but I can recognize the market trends based on what I know from colleagues, competitors, ..."*: O7). Only a few interviewees stated that the trends were not surprising (*"These data do not surprise me, and if they were concerning only public organizations, I would expect those lines to be even lower"*: O12). Yet, although not explicitly mentioning cuts, they all acknowledged difficulties in implementing the HR practices in the same way as before the crisis. In the interviews, we could trace evidence of how companies dealt with the situation by resorting to *"make-dos."* Particularly, in the area of rewards, which is also due to a decrease in the monetary value of financial rewards (which were subject to higher taxation), many firms started offering different benefits such as health insurance, a medical doctor on site every week for free consultation, partnerships with gyms, gas stations, and so forth. Despite the tendency of many companies to improvise and find alternative and creative ways to reward their staff, we also detected a concern for (*un*)fairness associated with these practices that may be a prelude to further issues of motivation and people management (*"We have people working here who have performed well, had good evaluations but have not received pay increases"*: O12), to the extent that they fail to differentiate the diverse contributions and appropriately reward and appreciate individuals.

Another theme that emerged in the interviews with HR managers was *"doing more with less,"* for example, by using digital platforms and more internal resources to conduct training (*"[the external training courses] would not go ahead due to the lack of participants"*: O2).

Moreover, tailor-made training programs would be used as a tool for *"differentiating"* employees and offered only to high-potential employees or regarded as benefits in substitution for other types of rewards.

Finally, we observed a *"perform or perish"* approach that was endorsed by many companies and passed down to the employees (*"It is important to keep people focused, and the current focus is on the results. [...] It is important to repeat this message constantly, occupy their mind with this, because the moment we retreat a bit you already see a rebate in the individual results"*: O6). Undoubtedly, such stricter focus on results may engender stress in the workers and even have opposite (unintended) consequences when individuals are not able to keep up with the expected levels of performance (*"It has been difficult in recent years to expect the same level of performance from employees who have had less time to achieve their goals"*: O11).

All in all, the interviews indirectly validated the employees' experience of less T&D and PM, which often may have turned into less useful (e.g., the training received) or less appropriate practices (e.g., the appraisal criteria).

The second finding to point out pertains to the variability versus homogeneity among companies. Our findings report high ICC values, revealing that the greatest variability occurred between companies rather than over time. Indeed, in model 3 (Table 3), we can observe that there is significant variability between organizations at the intercept, namely, at the starting level of HR practice implementation, and although significant, there is a much smaller variability in the slope, namely, the trajectories of HR implementation (equal to 2% variability in all practices).

The third finding to point out is the lack of a relationship between employees' perceptions of the HR practices over time and the firms' financial performance. In fact, the observed variability suggested we

TABLE 2 Descriptive statistics and bivariate correlations.

| | Mean | SD | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. | 10. | 11. | 12. | 13. | 14. |
|-------------------------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|-------|-------|
| 1. T&D 2011 | 4.92 | 0.75 | | | | | | | | | | | | | | |
| 2. Perf mgmt 2011 | 4.89 | 0.73 | 0.894** | | | | | | | | | | | | | |
| 3. Rew mgmt 2011 | 4.36 | 0.79 | 0.817** | 0.896** | | | | | | | | | | | | |
| 4. T&D 2012 | 5.10 | 0.68 | 0.836** | 0.807** | 0.700** | | | | | | | | | | | |
| 5. Perf mgmt 2012 | 5.00 | 0.70 | 0.735** | 0.860** | 0.748** | 0.900** | | | | | | | | | | |
| 6. Rew mgmt 2012 | 4.45 | 0.89 | 0.651** | 0.767** | 0.838** | 0.791** | 0.864** | | | | | | | | | |
| 7. T&D 2013 | 5.07 | 0.74 | 0.727** | 0.683** | 0.589** | 0.868** | 0.762** | 0.679** | | | | | | | | |
| 8. Perf mgmt 2013 | 4.99 | 0.74 | 0.601** | 0.742** | 0.592** | 0.787** | 0.878** | 0.713** | 0.843** | | | | | | | |
| 9. Rew mgmt 2013 | 4.42 | 0.91 | 0.564** | 0.678** | 0.719** | 0.727** | 0.798** | 0.878** | 0.801** | 0.838** | | | | | | |
| 10. T&D 2014 | 4.99 | 0.71 | 0.656** | 0.637** | 0.611** | 0.776** | 0.708** | 0.720** | 0.892** | 0.735** | 0.785** | | | | | |
| 11. Perf mgmt 2014 | 4.88 | 0.68 | 0.572** | 0.712** | 0.624** | 0.712** | 0.835** | 0.758** | 0.772** | 0.889** | 0.836** | 0.852** | | | | |
| 12. Rew mgmt 2014 | 4.34 | 0.90 | 0.527** | 0.644** | 0.728** | 0.639** | 0.704** | 0.883** | 0.695** | 0.679** | 0.910** | 0.823** | 0.820** | | | |
| 13. Organization status | 1.60 | 0.49 | 0.308* | 0.256 | 0.147 | 0.278* | 0.145 | 0.077 | 0.286* | 0.202 | 0.100 | 0.225 | 0.131 | 0.067 | | |
| 14. N employees 2011 | 148.78 | 243.14 | -0.412* | -0.383* | -0.403* | -0.407* | -0.386* | -0.347 | -0.381* | -0.403* | -0.264 | -0.306 | -0.333 | -0.214 | | |
| 15. Profit Margins 2010 | 6.62 | 9.19 | 0.483** | 0.467* | 0.432* | 0.377* | 0.408* | 0.402* | 0.181 | 0.174 | 0.196 | 0.316 | 0.317 | 0.314 | 0.028 | 0.077 |

Note: N = 53; correlations involving N of employees, N = 32; correlations involving profit margins, N = 28. Organizational status is coded 1 for subsidiaries of MNCs and 2 for domestic.

**p < 0.01.

*p < 0.05.

TABLE 3 Results from the random coefficient model for each HR practice.

| | Model 1 | Model 2 | Model 3 | Model 4 ^b |
|---|---------------------------|----------------|---------------------------|----------------------|
| Training and Development | | | | |
| <i>Level 1</i> | | | | |
| Intercept | 4.70 (0.05)** | 4.66 (0.05)** | 4.66 (0.05)** | 4.84 (0.06)** |
| Time | 0.00 (0.01) | 0.12 (0.05)** | 0.13 (0.04)** | 0.14 (0.07)* |
| Time_squared | | -0.04 (0.01)** | -0.05 (0.01)** | -0.07 (0.02)** |
| <i>Level 2</i> | | | | |
| Organizational Status ^a | | | | -0.13 (0.10) |
| Number of employees (in 2011) | | | | -0.00 (0.00) |
| Profit Margins 2010 | | | | -0.00 (0.00) |
| Profit Margins * Time | | | | -0.00 (0.00) |
| Profit Margins * Time squared | | | | 0.00 (0.00) |
| <i>Variance components</i> | | | | |
| Within-company (L1) variance (σ^2) | 0.11 (0.01)** | 0.10 (0.01)** | 0.07 (0.01)** | 0.08 (0.01)** |
| Intercept (L2) variance (τ_{00}) | 0.58 (0.05)** | 0.59 (0.05)** | 0.58 (0.06)** | 0.23 (0.03)** |
| Slope (L2) variance (τ_{11}) | | | 0.02 (0.01)** | |
| Intercept-slope (L2) covariance (τ_{01}) | | | -0.01 (0.02) | |
| Autoregressive Covariance | | | | 0.13(0.14) |
| <i>Additional Information</i> | | | | |
| ICC | 0.84 | | | |
| -2 log likelihood (FIML) | 1129.5 | 1122.05 | 1096.64** | 683.46 |
| Number of estimated parameters | 4 | 5 | 7 | 11 |
| Performance Management | | | | |
| <i>Level 1</i> | | | | |
| Intercept | 4.75 (0.05)** | 4.71 (0.05)** | 4.71 (0.05)** | 4.88 (0.06)** |
| Time | -0.01 (0.01) | 0.07 (0.46) | 0.09 (0.04)* | 0.09 (0.07) |
| Time_squared | | -0.03 (0.01)* | -0.03 (0.01)** | -0.05 (0.02)** |
| <i>Level 2</i> | | | | |
| Organizational Status ^a | | | | -0.09 (0.10) |
| Number of employees (in 2011) | | | | -0.00 (0.00)* |
| Profit Margins 2010 | | | | -0.00 (0.00) |
| Profit Margins * Time | | | | -0.00 (0.00) |
| Profit Margins * Time squared | | | | 0.00 (0.00) |
| <i>Variance components</i> | | | | |
| Within-company (L1) variance (σ^2) | 0.09 (0.01)** | 0.09 (0.01)** | 0.07 (0.01)** | 0.07 (0.01)** |
| Intercept (L2) variance (τ_{00}) | 0.53 (0.05)** | 0.54 (0.05)** | 0.55 (0.06)** | 0.23 (0.03)** |
| Slope (L2) variance (τ_{11}) | | | 0.02 (0.01)** | |
| Intercept-slope (L2) covariance (τ_{01}) | | | -0.02 (0.01) | |
| Autoregressive Covariance | | | | -0.00 (0.13) |
| <i>Additional Information</i> | | | | |
| ICC | 0.84 | | | |
| -2 log likelihood (FIML) | 1058.46 | 1054.43 | 1037.75** | 659.88 |
| Number of estimated parameters | 4 | 5 | 7 | 11 |
| Reward Management | | | | |
| <i>Level 1</i> | | | | |
| Intercept | 4.26 (0.05)** | 4.23 (0.06)** | 4.24 (0.05)** | 4.46 (0.07)** |
| Time | -0.03 (0.02) [‡] | 0.03 (0.05) | 0.03 (0.05) | -0.02 (0.08) |
| Time_squared | | -0.02 (0.02) | -0.02 (0.01) [‡] | -0.02 (0.02) |
| <i>Level 2</i> | | | | |

TABLE 3 (Continued)

| | Model 1 | Model 2 | Model 3 | Model 4 ^b |
|---|---------------|---------------|---------------|----------------------|
| Organizational Status ^a | | | | −0.05 (0.10) |
| Number of employees (in 2011) | | | | −0.00 (0.00)* |
| Profit Margins 2010 | | | | −0.00 (0.00) |
| Profit Margins * Time | | | | 0.00 (0.00) |
| Profit Margins * Time squared | | | | −0.00 (0.00) |
| <i>Variance components</i> | | | | |
| Within-company (L1) variance (σ^2) | 0.13 (0.01)** | 0.13 (0.01)** | 0.10 (0.01)** | 0.12 (0.02)** |
| Intercept (L2) variance (τ_{00}) | 0.69 (0.06)** | 0.70 (0.06)** | 0.62 (0.07)** | 0.21 (0.04)** |
| Slope (L2) variance (τ_{11}) | | | 0.02 (0.01)** | |
| Intercept-slope (L2) covariance (τ_{01}) | | | 0.02 (0.02) | |
| Autoregressive Covariance | | | | 0.22 (0.16) |
| <i>Additional Information</i> | | | | |
| ICC | 0.84 | | | |
| −2 log likelihood (FIML) | 1237.54 | 1235.920 | 1218.10** | 737.42 |
| Number of estimated parameters | 4 | 5 | 7 | 11 |

Note: Level 1 (observations) = 212; Level 2 (companies) = 53. Standard errors in parentheses.

^aOrganizational Status is coded 1 for subsidiaries of MNCs and 2 for domestic.

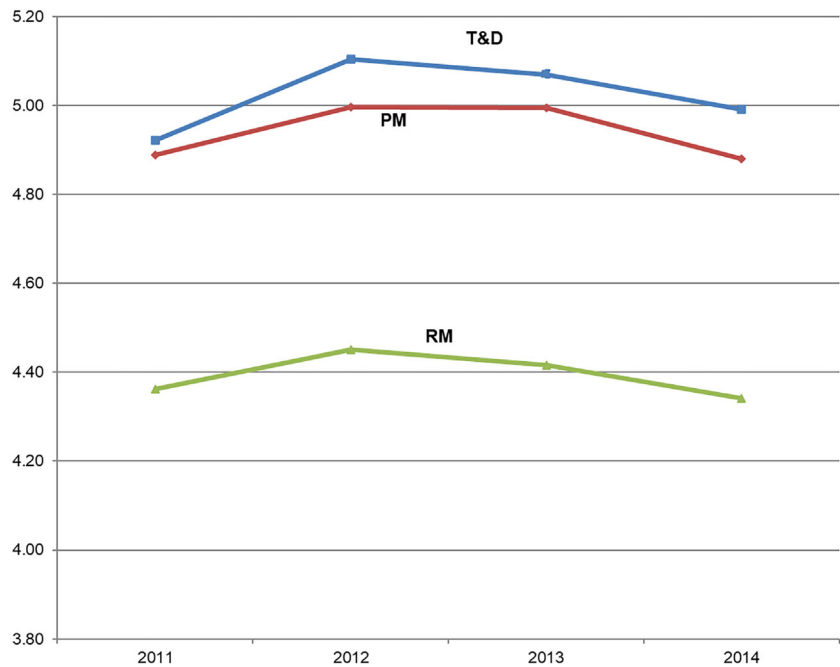
^bLevel 2 $n = 32$.

** $p < 0.01$.

* $p < 0.05$.

† $p < 0.10$.

FIGURE 1 Graphical representation of the HR practices trends over the study period. PM, performance management; RM, reward management; T&D, training and development



could try to explain it—in both intercept and slope—by including level-2 predictors (i.e., organizational-level variables). In the last step of our analyses (model 4 in Table 3), therefore, we included profit margins (grand-mean centered) as a predictor and the control variables. As can be observed, the organizational financial performance preceding the period of observation did not

significantly predict any of the perceived HR practices, neither at the “starting level” (i.e., the intercept) nor in their change over time. The size of an organization was marginally and negatively associated with the starting level of PM and RM, which suggests that in larger organizations, employees tend to have lower perceptions of both practices.

The last two findings, namely, that great homogeneity exists among companies with respect to decreasing perceptions of HR practices and that such decreasing trends cannot be explained by the firms' prior financial performance, begged further understanding as to why this happened. We turned to the qualitative data for this and, specifically, for how HR managers explained and legitimized the HR trends. Two themes emerged, which we labeled "*must-cut*" and "*ought to be wise*," respectively.

In the first theme, we grouped spontaneous comments made by the interviewees regarding the broader context in which the trends occurred, which *openly* referred to the political and economic features of the period ("*These were complicated years with the Troika*": O4). Such an emphasis on external agents likely made the courses of action they had undertaken even more salient. Often their actions were dictated by a range of impositions (from salary cuts to pay freezes) and restraints ("*Companies made decisions to save jobs and had to cut down on the extras*": O7).

In the second theme, we grouped expressions that also referred to the broader context, but more *implicitly* and without reference to a concrete set of conditions. In this case, HR managers would, for example, only allude to the difficulty of the situation, which does not need to be further explained, and used metaphors ("*If there is no money, one has to tighten the belt*": O13). For this reason, we interpreted this theme of legitimization more as an "ought to" than a "must" as in the previous case. Again, the qualitative data seem to converge with the quantitative data, in that regardless of the type of organization (size, sector, industry, and even financial performance), our interviewees alluded implicitly or explicitly to the context (hence fitting one of the two themes).

DISCUSSION

The aim of this study was twofold. First, we intended to investigate the *process* of managing HR, namely, the HR practices implemented and perceived by employees over the years; second, we wanted to situate this process in the broader economic, social, and political context of the financial crisis in Portugal. We believe our findings have shed light on the converging perspectives of employees and HR managers and complement previous research on HRM during periods of financial instability that was mostly single-source and based on either employee or objective data (Cook et al., 2016; Roca-Puig et al., 2019; Teague & Roche, 2014; Wood & Ogbonnaya, 2018). Furthermore, our study is an empirical investigation of one of the countries where the effects of the crisis were more dramatic. We believe this investigation is interesting not only with regard to understanding the specific case of Portuguese organizations during the global financial crisis but that it could also benefit other organizations and

countries undergoing critical times (Reid & Burns, 2010). Generalizing to other crises (including the one related to the COVID-19 pandemic) would be speculation—and the two crises in point are different, with the 2008 one starting out primarily as a financial crisis and the current one starting as a global health emergency. Nonetheless, there are insights concerning what and how HR managers decided at the time (and how they made sense of their decisions afterward) that can be important insofar as they reveal how much HRM practice is dominated by financial capitalism and rooted in neoliberal assumptions and values that favor short-term financial results for the shareholders over longer term results that are more inclusive for multiple stakeholders (Dundon & Rafferty, 2018).

Although the findings must be interpreted with caution, given the small sample size of "resilient" organizations, they suggest a quite homogeneous pattern of shrinking in T&D and PM practices over the years, as perceived by the employees and supported by the HR managers' examples of how they resorted to handling these types of initiatives. This finding is different from what Sheehan (2012) as well as Kim and Ployhart (2014) found. More telling is that such a retrenchment attitude could not be predicted by the organizational financial performance before the crisis. This last finding corroborates the proposition that greater financial possibilities do not automatically lead to there being greater "slack" or, even more, to greater investment in HRM (Roca-Puig et al., 2019). During the financial crisis, even companies that were not too severely affected invested less in HRM. This was perhaps to secure a certain level of profits for their shareholders in uncertain times.

The low variability in HR practices among organizations points to the limited leeway of Portuguese companies in dealing with the crisis as far as managing HR is concerned. This result can be more easily interpreted when contextualized to Portugal, which is much closer to a coordinated market than a liberal market economy where organizations are more likely to be creative at crafting practices that enhance employees' engagement to beat the competition (Marchington & Kynighou, 2012). Indeed, our finding aligns with Santana et al. (2019) case study of the Spanish airline company Iberia.

The qualitative part of our study shed some light on the strong effect exerted by higher institutional dimensions, consistent with the homogenizing effect of the global financial crisis observed in previous studies (Jausaud & Liu, 2011). In our case, the institutional dimensions were particularly embodied by Troika's austerity policies (as directly reported by some of the HR managers we interviewed). We could associate the two themes that emerged from our qualitative results ("*must-cut*" and "*ought to be wise*") with the different types of pressures contemplated in the neo-institutionalist approach (e.g., DiMaggio & Powell, 1983):

1. Coercive pressures, to the extent that, in reinforcing and amplifying the Troika intervention, the government did not approve any subsidies, for example, for training. This may have resulted in cuts even in mandatory or basic training initiatives and led companies to look for alternative ways to deliver training (e.g., in collaboration with universities and with internal resources). Also, some companies in our sample reported being “forced” to make cuts to avoid even harsher measures (e.g., firing), a direction that many other firms had taken (Martins, 2016). Indeed, we have witnessed that in many countries—and especially in Portugal—the financial crisis turned into a social crisis (Zagelmeyer & Gollan, 2012), with international reports confirming the severe toll it had on unemployment (ILO, 2010) and health (Legido-Quigley et al., 2016);
2. Normative pressures, since the “austerity measures” introduced by law, also signaled a cultural change in the form of shared beliefs held by professional groups and the wider public’s opinion regarding the course of action an organization should take (Kelsey et al., 2016). In particular, during the crisis, the media and public opinion would pull organizations toward cautious conduct embracing the “austerity” mindset imposed by the government, thus toward a strategy of contraction regarding generalized expenditure and investment. Worth noting in support of cultural change is a linguistic analysis of opinion articles, published in 2012 in Portuguese newspapers and magazines, that reports on the extensive use of the verbs “can” and “ought to” in enunciations that conveyed normative obligations and censorship (Duarte & Pinto, 2013). Additional and specific sources of normative pressures on our sample of HR managers may have been represented by the national association of HRM and its publications and regular meetings.

All in all, these sources of pressure likely pointed HR managers to a convention of “spending minimally and cautiously.” This can truly be characterized as a convention since it is perceived as very logical and indisputable, thus requiring no further justification (Boltanski & Thévenot, 2006 [1991]; Gomez & Jones, 2000). A convention eliminates uncertainty regarding the most appropriate course of action by offering a rationalization for actions that have become routines and rests on long-held and unquestioned beliefs (rational voids) that are taken for granted. This emerges from our interviews with HR managers who, for the most part, immediately identified the time-frame as the “crisis” period and promptly referred to a number of correlates (e.g., the intervention of the Troika, the necessity to avoid further and more severe measures, such as firing employees, and so forth). Interestingly, they promptly recalled external and contextual factors impacting their decisions, although only minimally, if at all, mentioning internal and strategic factors. Their embracing of a convention is further attested by

the low inter-organization variability in the trajectory of the practices’ implementation and the fact that these trends could not be predicted by the organizations’ prior financial performance.

If HR managers were so overwhelmed by the uncertainty that they turned to safer assumptions and conventions by cutting down on most of the development-oriented practices, then two aspects of their roles were likely impaired. First, the HR managers’ ability to act as “strategic partners” (Ulrich & Brockbank, 2005) may have been limited by an outside-in perspective that levered the organizations closer to one another and overlooked internal capabilities to respond to the crisis (Maley, 2019). To survive turbulent times, one could foresee adopting non-conformist behaviors that instead lean toward deviant and innovative behaviors (Nijssen & Paauwe, 2012; Santana et al., 2019). Second, HR managers seemed to abdicate responsibility toward sustainable HRM, which is especially important during the financial crisis. By escaping conventions, their decisions could be inspired instead by goals other than purely financial and a broader set of stakeholders, most notably employees and society at large (Ehnert & Harry, 2012). Although in many efforts that the HR managers recounted (e.g., offering different types of benefits, particularly non-financial ones due to higher taxation), one could recognize their attempt to continue playing the role of the “employees’ champion” (Ulrich & Brockbank, 2005). However, we concur with Dundon and Rafferty (2018) that the major role played was that of the “handmaidens” who implement initiatives that directly satisfy the shareholders’ wishes and safeguard productivity.

Although clearly documenting the extensive impact of context on HR managers’ decisions and calling for greater attention to these elements in practice and research, we also acknowledge that there is a degree of agency around the institutional pressures that the HR managers in our sample did not extensively exploit. This would be a fruitful avenue for future research employing a diversity of research designs, including, for example, experimental scenario-based policy-capturing designs (Aguinis & Bradley, 2014). This type of research design is optimal for letting normative ideas (i.e., expectations about behaviors) emerge using fictional scenarios and characters upon which a person likely projects his/her own values and beliefs. This tool may, at the same time, be used for managerial training whereby managers are invited to share and compare with others their responses to different scenarios and reflect on alternative options that may otherwise be rashly dismissed as impossible. Scenarios have already proved effective in training aimed at reducing bias and improving managerial decision-making under uncertainty (Hodgkinson et al., 1999). Thus, they could increasingly be adopted to prepare managers to deal with future crises—that appear to occur more and more frequently—by generating and assessing different courses of action that may ensure greater agency, sustainability, and strategic orientation.

Limitations

We acknowledge two main limitations in our study. The first is the small sample size of organizations, although they do seem representative of a larger group. Nonetheless, the organizations we have in our 4-year longitudinal quantitative study are obviously a sample of “resilient” organizations; those that not only survived the crisis but that also scored relatively highly on a number of HR initiatives—which allowed them to participate in a “best place to work” survey even in a difficult period of time. As a result, we cannot extend the findings to those companies that severely struggled during the crisis, and we are not able to account for how their HR practice trends looked.

The second limitation lies in the fact that HR managers’ accounts were collected retrospectively while trends of HR practices (based on employees’ perceptions) were collected ongoing. This was the design of our study, which aimed to complement the quantitative descriptive data through qualitative explanatory interviews. However, we acknowledge that this feature makes it impossible, at this stage, to reconcile the differences we found between the two perspectives. In particular, HR managers often distanced themselves and their company from the general trend of decreasing HR perceptions, and we are not able to say whether their perspectives were already different from what the employees reported over the years, because of the intended-implemented HR practice gap (Purcell & Hutchinson, 2007), or whether the HR managers’ accounts are influenced now by “positive retrospection” effect (Gover & Duxbury, 2018).

CONCLUSIONS

In conclusion, the mixed-methods approach that we employed in this study enabled us to triangulate and take advantage of multiple sources of information (employees, HR managers, and secondary data) and research methods (quantitative longitudinal analysis and in-depth interviews) to highlight, first, overall descending trends in perceptions of HR practices during the crisis; second, the lack of relationship between these trends and firms’ financial performance, which revealed unexpected homogeneity among them; and, third, the explanations for those trends based on HR managers’ accounts that pointed to their embracing conventions to make decisions in uncertain conditions, which showed the impact of institutional pressures that largely restrained individual agency.

AUTHOR CONTRIBUTIONS

Silvia Dello Russo: Conceptualization (lead); Investigation; Formal analysis; Writing—original draft; Writing—review and editing. **Wolfgang Mayrhofer:** Conceptualization (equal); Writing—review and editing. **Antonio Caetano:** Conceptualization (equal); Writing—review

and editing. **Ana Passos:** Investigation; Writing—review and editing.

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CONFLICT OF INTEREST STATEMENT

The authors have declared no conflict of interest.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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