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Human resources in a draught: how managers construed the role and meaning of human resource management during the 2008 economic crisis in Slovenia

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ABSTRACT

An empirical study of interpretive schemas regarding human resource management (HRM) and its social responsibility of selected manufacturers in the automotive industry and of financial institutions is presented. We were interested in how participants interpreted the role of the HRM department during the economic crisis of 2008. It was assumed that HRM is subjected to increased accommodation processes during economic turbulence. Interpretive schemas regarding HRM of three selected manufacturers in the automotive industry and of three financial institutions from Slovenia were studied. Over a three-year period, 31 interviews with their management, HRM, and union representatives were conducted. In addition, content analysis of annual reports was made. The results have shown that the current crisis has not yet been a factor of diminished roles and meaning of HRM. While the manufacturing companies are considerably homogeneous in their scope of adjustments to the crisis, the financial companies considerably differ from each other regarding their scope of activities and are going through schema change. Factors, discovered in this study, add to the knowledge framework of successful HRM change and explain levels of social responsibility towards employees working in the companies.

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D81; D83; M12; M14

1. Introduction

Turbulent periods in time, such as economic crises, are interesting research events where changes in management are concerned. Unpredictable conditions in the business environment worsen the predictability of a leader's cognitions, giving us an opportunity to observe the cognitive conflicts that may lead to cognitive schema shifts (Poole, Gioia, & Gray, 1989).

The existing studies (e.g., Bartunek, 1984; Chung-Ming & Woodman, 1995; Diplock, 1999; Franca & Pahor, 2014; Fuchs, 2011; McKinley, Zhao, & Garrett Rust, 2000; Reger & Palmer, 1996; Vakola, 2014) show that the way individuals perceive change influences their behaviour. Although their expectations and knowledge usually serve them well, rigid

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and old presumptions in schemas lose their functionality in changed circumstances of the business environment; therefore, they need to be examined anew.

The leading proposition of this article is the following: during an organisational crisis, the human resource (HR) function is under pressure to adapt its role to the changing circumstances within the organisation. Thus, HR managers are, together with departmental managers, in charge of coordinating changes in other employees' roles, as well as their new roles that have been imposed by the crisis (Shen & D'Netto, 2012). In this sense, the role of human resource management (HRM) is crucial.

Factors of Piaget's assimilation and accommodation theory that had influence over interpretive schemas of HRM were empirically investigated in order to understand the dynamics of change in the companies of the both observed sectors. In business literature, the connection between Piaget's model of equilibration and the theory of interpretive schemas from the organisational perspective is new and leads to new ways of understanding organisational behaviour, especially its social responsibility in the midst of an economic crisis.

1.1 Research questions

It was assumed that HRM is subjected to change during economic turbulence (Shen & D'Netto, 2012). Some of the old schemas may not be effective during a crisis; therefore, it comes to interpretive schema change or accommodation (Piaget, 1928). We were interested in the way change occurs: does management perceive crises as an opportunity for 'belt tightening' measures in regard to HRM, or will crises, from the start, be perceived as an opportunity for their HRM to become more strategic and more socially responsible? More precisely we were interested in how interpretations of HRM change in the period of observation?

1.2 Interpretive schemas

Schemas are cognitive structures, which represent knowledge of a concept or a stimulus and include stimuli traits and relationships (Balogun & Johnson, 2004; Iederan, Curşeu, Vermeulen, & Geurts, 2011). Schemas are everyday subjective theories about how the world operates (Harris, 1994) regarding objects, personal characteristics, oneself, social roles, social groups or social events (e.g., Fiske, 2000; Kuklinski, Luskin, & Bolland, 1991; McKinley et al., 2000). In addition, Derry (1996) defines them as memory structures. Fiske and Taylor define schemas as 'people's theories and concepts about the world [...] concerned with the general case, abstract generic knowledge that hold across many particular instances' (1991, p. 98). Because of their heuristic value, cognitive schemas were intensively investigated in previous studies of organisational settings (e.g., Bartunek, 1984; Gioia & Poole, 1984; Gioia & Chittipeddi, 1991; Iederan et al., 2011; Labianca, Gray, & Brass, 2000; Lau, Tse, & Zhou, 2002; Reger & Palmer, 1996; Shetzer, 1993).

This article empirically studies the special type, i.e., interpretive schemas dealing with the perceived role and meaning of HRM in times of the financial and economic crisis. Interpretive schemas enable organisational members to mentally organise their experience, and provide them with the basis for understanding and responding (Gioia & Poole, 1984). Ranson, Hinings, and Greenwood (1980) define interpretive schemas as fundamental and implicit assumptions of why things in organisations happen as they do and how individuals

should act in new situations. They represent organisational values and interests. Bartunek (1984) conceptualises interpretive schemas as frames of reference that organisational members or subgroups share. Any change in organisational culture or structure, as well as in the manner of operating is inherently connected with changes of members' interpretive schemas (Bartunek, 1984). If they do not change their schemas, an effective and permanent change in the organisation is not possible.

An important interpretive schema of HRM is that it 'is an important partner within company management that leads to more efficient company functioning'. Irrespective of the fact that many changes in organisations do not require cognitive schema alteration (Labianca et al., 2000), change management attempts often fail because of lack of adjustments in interpretation of HRM.

The role of management in interpretive schema change is crucial (Chattopadhyay, Glick, Miller, & Huber, 1999; Fuchs, 2011). When an unexpected event urges organisational change, managers have to create a strategy for changing the existing set of cognitive schemas in the organisation to accommodate new requirements (Poole et al., 1989). The existing interpretive schemas may consequently undergo various phases of modification during organisational change (Bartunek, 1984).

1.3 Schema change

For a long time, a prevalent predisposition in cognitive schema research was that information which contrasts an existing schema will be either ignored or abandoned. As schemas are supposed to direct information pursuit, undiscovered information will only reinforce existing schemas. In this way, incongruent information represents a sort of threat to a well-established schema (Shetzer, 1993). Recent studies of data-driven processes, however, show that individuals are not rigid and do not refuse to accept new information to maintain their old schema at any cost. On the contrary, research has revealed that individuals pay attention to new data and do accept them, even in cases when data contrast with the established mental model (Fiske & Taylor, 2008). For schema change to happen, it may be enough that certain cognitive area is activated when understandable and useful information is introduced into the process of new schema development (Derry, 1996).

Schema change will more probably occur in case when circumstances in the environment are changed suddenly, if there is much contrasting information, or if a schema is dysfunctional (Poole et al., 1989), such as in a crisis. Research has shown that schema change can also occur as a consequence of management's measures or sanctions (e.g., Bartunek, 1984; Poole et al., 1989; Harris, 1994; Labianca et al., 2000; Lau et al., 2002; Fuchs, 2011).

New information is integrated into a schema; thus schema becomes broader. Bartunek (1984) characterises such change as first order change. Second order change, on the other hand, is a fundamental schema modification or a new category formation as a result of new information. In order to achieve it, organisational members have to 'unlearn' their original interpretive schemas (Augoustinos, Walker, & Donagheve, 2014; Schein, 1980). This process may bring uncertainty and chaos into the organisational life, and disorientation and paralysis may occur. Members may perceive this experience as stressful and harmful (Schein, 1980). Defence mechanisms might prevent members developing a new schema (Labianca et al., 2000; Vakola, 2014).

1.4 Piaget's mechanisms of adaptation

According to Jean Piaget, stimuli are never passively adopted since the novelties cannot enter the cognition without assimilation into cognitive schemas that were developed through previous experience. When an individual is confronted with a new stimulus, it is assimilated into the existing schema. In spite of this, stimuli may be assimilated only to the degree to which the world is comprehensible. Individuals assimilate in order to reach their goals. On the other hand, accommodation means modification of individual's schemas or quantitative schema change (Piaget, 1970).

When assimilation is not possible due to existing overlaps between a new stimulus and existing schema content (no schema corresponds), either a new schema is developed, or the schema adapts in order to fit the stimulus and it restores equilibrium anew. In either case, accommodation is taking place, while the result is always changing in configuration of one or more schemas, or a new schema may develop (Derry, 1996). An individual does not perceive experience as new until cognitive disorder or disequilibrium occurs and accommodation is necessitated.

Most of the time, both processes are balanced. But adaptation may be altered in situations, when unusual or unpredictable situations in social environment do not allow constant equilibration processes between assimilation and accommodation (Flavell, 1996; Kahneman & Tversky, 1973; Nisbett & Ross, 1980; Wadsworth, 1996). Individuals are inherently motivated to eliminate inconsistencies in their mental apparatus (Derry, 1996) and consequently strive for further assimilation and accommodation. In Piaget's theory, individuals constantly strive for qualitatively better equilibrium in comparison with the former (Piaget, 1928). This process is individual, but it may correspond to social level (Kitchener, 1991). In organisational settings, assimilation and accommodation processes have to run continuously.

1.5 Some variables that affect interpretive schemas of HRM

How the role and meaning of HRM is perceived in organisations depends on organisational characteristics. Probably the most obvious variable is the size of a company or the number of employees (Aycan, 2001), because they influence the contents and development of HRM function. For larger companies it is more likely to have their own HRM department and a written HRM strategy.

Secondly, companies that operate in international markets (such as companies from automotive sector) search for ways to be more efficient and to reach higher quality more intensively in comparison to companies that operate mainly in domestic markets (such as some financial institutions). It is more likely that strategic HRM will be developed in companies with global orientation due to more competitive international business environment, high international standards and orientation towards a systematic HRM. Also, a current market position (stable, increasing, decreasing) may influence perceptions of HRM (Uyargil and Özcelik, 2001, in Özcelik & Aydınli, 2006). As suggested by Jaakson, Reino, and Mõtsmees (2012), different types of organisational culture manifest in certain corporate social responsibility reports. Moreover, their case study demonstrated how corporate social responsibility activities that were related to dominant organisational culture types were less likely to be reduced in a recession but some were even intensified.

In Slovenia, the global economic crisis became evident in the third quarter of 2008, particularly in manufacturing and in construction. The financial crisis heavily affected part of the financial sector (Statistical office of the Republic of Slovenia, 2015) at the beginning of 2008. In 2009, GDP declined by 7.8%, which was the first annual decline of GDP since 1992. Economic activity was reduced also in the first quarter of 2010 (-1.1%) (Statistical office of the Republic of Slovenia, 2015).

HRM may be perceived and understood only together with cultural and historic, economic, technological, political and social contexts and legislation (Ignjatović & Svetlik, 2004). Altogether, decisions for the selected sectors (automotive and financial) are justified by the different (domestic/international) markets the selected companies operate in, differences in their market positions, their size, historical development and regulations and, above all, that all selected companies have been affected by the 2008 economic crisis.

2. Methods

2.1 Participants

The study included six Slovenian companies; i.e., three financial institutions (two banks and a brokerage), present mostly in domestic market, and three manufacturing companies working for the international automotive industry and operating mostly internationally. All but one of the companies have a long tradition and are well established in their field of operation. All companies were medium-sized or large companies by Slovenian standards (number of employees from 100 to 1500), except company B (50 or less employees).

Over a three-year period, 31 interviews with their management, HRM, and union representatives were conducted. We twice interviewed their management representatives (five interviews in 2009 and six interviews in 2011), HRM representatives (six interviews in 2009 and six in 2011), and union representatives (four interviews in 2009 and four in 2011). Management has the authority to construct interpretations for other members in the organisation (Gioia & Manz, 1985; Isabella, 1990). HR management were selected because they are directly involved in HRM practices. Interviews with union representatives were conducted because they represent an information source from a different perspective. Due to poorly organised or non-existent unions, we were not able to access union representatives in two financial firms (B and P). The ratio between men and women was proportionate; the average age of interviewees was approximately 50-years-old.

2.2 Instruments

2.2.1 Interviews

In-depth interviewing was considered the most convenient technique for cognitive schema research as they are less structured and well accepted by managers (Isabella, 1990). They enable an insight into the most meaningful concepts and thus second order analysis may be performed. Interview questions followed these research aims: how do interviewees interpret the role and meaning of HRM in their company? What HRM measures (if any) were taken during the crisis? Did they introduce novelties into HRM during the observation period? What are their observations of other companies' measures regarding HRM and what do

they think of them? We were also interested in their perception of HRM development in the future.

2.2.2. Annual reports

At the same time, we made an analysis of annual reports by focusing on the reporting about social responsibility towards the employees based on Global Reporting Initiative (GRI). GRI consists of seven social responsibility dimensions. Only one of these dimensions was analysed. The dimension 'Labour practices and decent work' involves social responsibility toward employees. It includes five subdimensions: Employment; Labour/Management Relations; Occupational Health and Safety; Training and Education; Diversity and Equal Opportunity (more information at: <http://www.globalreporting.org/Home>). Content analysis of annual reports was made on the basis of the prepared checklist in regard to the quantity of reporting about each of these subdimensions (also Horvat, 2009, 2010).

2.3 Procedure

The above-mentioned industries were chosen on the basis of statistical data regarding the business decline within specific industries. Managements of representative companies were contacted and asked to participate in the study. Convenience sampling was applied since only the companies willing to participate in the study were selected.

Each interviewee was interviewed twice from 2009 to 2011. The respondents were encouraged to explain their own beliefs and perceptions regarding HRM. The interviews were tape-recorded and transcribed, and raw data was systematically analysed afterwards. On average the interviews lasted 55 minutes. Interview transcripts and observations were analysed with the specialised computer programme for qualitative data processing, ATLAS.ti, which enables selection, retrieval and a clear display of coded material. With this programme, a researcher is flexible about textual data management. In addition, consistency and internal reliability of qualitative research might be improved.

Prior to this, few codes emerging directly from research questions had been formulated. Meaningfully significant quotes were ascribed to one or more meaningful codes. Some of the meaningful codes were split according to the time frame, that is: pre-crisis period (time 0), first interview period (time 1), and second interview period (time 2). Through analysis procedure, new codes emerged and at the end all material was analysed again. The analysed material was a basis for the first order analysis dealing with summarization of findings, which were based on the statements of the respondents. This was followed by establishment of conceptual framework or the second order analysis (Poole et al., 1989). The data of certain codes were transformed into semantically logical themes. Then, the main attributes of interpretive schemas about HRM were constructed from the most prominent and corresponding themes. The main factors of assimilation and accommodation in interpretive schemas of HRM were identified from the main attributes.

At the same time, annual reports from 2007, 2008 and 2009 from each of the six companies were collected and thus altogether 18 annual reports were analysed. Each of them was evaluated with a preliminary prepared checklist based on GRI indicators, according to level of reporting: 3 indicated fully covered content, 2 indicated that the content was partly covered, 1 indicated that content was only implicitly covered, and 0 was given when there

were neither quantitative nor qualitative measures of the social responsibility indicator in a given annual report. Afterwards, comparison was made on the basis of single checklists.

3. Results

This section has been divided in regard to the data source. The interview analysis is presented first and the content analysis of annual reports afterwards. In the conclusion, discussion about both data sources is presented jointly.

3.1 Interviews

In the research question we were interested how interpretive schemas of HRM of interviewees changed in the observation period. According to other research in organisation contexts (e.g., Bartunek, 1984; Harris, 1994; Labianca et al., 2000; Poole et al., 1989; Reger, Gustafson, Demarie, & Mullane, 1994; Reger & Palmer, 1996), crisis may trigger alterations in schema contents. During this time, common activities and sense making of HRM might go through disequilibrium or a cognitive conflict, which, in turn, acts as leverage for HRM schema change. When assimilation and accommodation in the interview answers are imbalanced, it might be inferred that disequilibrium exists.

Next to each quote in the following section its origin is cited. Labels A or F denote the automotive or financial industry respectively, the first number in brackets denotes an interview number and the second number denotes the quote number of a particular interview. The last letter marks a company label. Time 0 denotes the pre-crisis period, time 1 denotes citations in the first round of interviews (2009) and time 2 denotes citations in the second round of interviews (2011).

3.1.1. *Among producers in the automotive industry assimilation process prevails*

In Figure 1, the ratio between assimilation and accommodation processes among the selected producers in the automotive industry is schematically presented. Only the most occurring codes from the analysis are presented. In brackets, frequency of quotes is presented. It is evident that the left side (assimilation) was overrepresented in comparison to the right side. Furthermore, relative consistency among number of quotes in codes 'Birocratic role of HRM (in previous crises; time 1, time 2)', 'Strategic role of HRM (time 0; time 1, time 2)' and 'Crisis does not affect schemas of HRM (time 0; time 1, time 2)' show that during two interviewing periods, participants did not change their observations about strategic/ birocratic role of HRM and about the role of crisis for HRM in their companies. In other words, comparisons in their answers show surprising consistency over two periods of time.

On the other hand, codes indicate that changes in HRM activities took place; however, the interviewees' interpretations of the role and meaning of HRM remained unchanged in that period. This is not only due to the economic crisis of 2008, but to a larger degree to other factors (except in company I). In company I, HRM was given a marginal position due to leadership change during the crisis (this was evident in 35% of quotes in the code 'Crisis affects HRM schemas'). To a question regarding the role and meaning of HRM in comparison to the time of the first interview, the union representative answered disappointedly: 'It has decreased. It has decreased, indeed. Totally decreased.' (A 10:45_I). In this particular company, HRM had been renowned for its humane philosophy and its strategic role in the

Adaptation		
Assimilation		Accommodation
Obstacles to schema change (19)	Strategic role of HRM (time 1) (54)	Crisis affects HRM activities (83)
Birocratic role of HRM (time 1) (10)	Strategic role of HRM (time 2) (51)	Other factors affect HRM schemas (57)
Birocratic role of HRM (time 2) (7)	Crisis does not affect HRM schemas (43)	Other factors affect HRM activities (47)
Birocratic role of HRM in previous crises (6)	Strategic role of HRM (time 0) (36)	Crisis affects HRM sche (31)
	Crisis does not affect organizational schemas (20)	Disagreement about the role of HRM in the organization (20)

Figure 1. Selected codes and number of quotes within assimilation and accommodation processes for producers in automotive industry.

company. In spite of the new top management in the company, the former HRM executive (now degraded to HRM officer) and their union representative continue to believe that systematic and continuous HR activities are important for the company. Results from the other two companies show that the economic crisis only reinforced former positioning of HRM in the company (16% quotes in the code ‘Crisis affects HRM schemas’).

In the code ‘Strategic role of HRM’ (time 0 (36 quotes), time 1 (54 quotes), time 2 (51 quotes) a group of heterogeneous factors exists and define work dynamic in HRM. The most important single factor and antecedent of current interpretations of HRM is ‘previous crises within the company’. The answers summarised the idea that previous crises had taught organisational members how to react to and manage turbulent periods. This was also the biggest single factor, why two producers for the automotive industry were inclined not to change their directions regarding HRM. On the contrary, in their actions, they often compared this crisis with the previous ones and took measures which had proved to be successful in the previous ones:

‘[...] as I have said, in this company we went through periods of crisis in ‘95, ‘96; and philosophy or culture, on which the management in that time built on and which we respect – in fact we are obliged to guarantee work for our employees. This is also the reason, why we have no massive lay-offs ...’ (A 3:22_C).

In the quote, the HRM executive was describing the previous crisis within this particular manufacturing company, which had almost gone out of business at that time. As a consequence, they started to develop their own component parts at their development department instead of only producing them. Since then, social responsibility towards employees has been one of the priorities, which is probably in part connected to the lack of suitable workers in the market (with 26% quotes in the code ‘Crisis does not affect HRM schemas’, this was a common observation of all the three observed manufacturers; but not in the financial institutions). In the annual reports of this company, however, inclination towards social responsibility was not entirely confirmed (see Figure 3). It might be assumed, though, that previous crises are an important assimilation factor in the current interpretive schemas of HRM among producers of automotive components.

3.1.2. The present crisis does not change the interpretive schemas of selected producers in the automotive industry

What was interesting in two of the three observed companies was that the interviewees did not perceive the present crisis as a factor for change in HRM. This is evident in the code ‘Crisis does not affect HRM schemas’ (43 quotes), and indirectly from the code ‘Crisis does not affect organisational schemas’ (20 quotes) (see Figure 1).

Reports about the unchanged HR direction (37% of quotes), such as ‘Basic content and this direction, I think, should not be changed’ (A 5:26_I), prevail among quotes. ‘Crisis does not affect HRM schemas’ partly because of specific organisational culture (which does not support lay-offs, for example). Furthermore, the participants claimed that in accordance with human nature, individuals in organisations are less capable of making cognitive shifts (7% of quotes) or, still more probable, defence mechanisms prevent people from introducing changes in the interpretation of HRM (35% of quotes). To a lesser degree, the interviewees claimed that people have to be personally involved and perceive the effects of crisis on their own skin in order to make changes in their behaviour (15% quotes):

[...] Evolutionarily, a man needs a lot of time to change something within oneself. As long as one is not in trouble, as long as one can turn to rationality and is able to control one’s attitude towards other people. ... But this is at a rational level.’ (A 1:61_I).

3.1.3. Previous crises are an important assimilation factor for producers in the automotive industry

Interview results show only moderate effect of the 2008 crisis on the interpretation of HRM. Other factors were reported as more important for interpretive schema change in comparison with the crisis of 2008 (codes ‘Other factors affect activities of HRM’ (47 quotes) and ‘Other factors affect HRM schema’ (57 quotes), see Figure 1).

It is interesting to note that in their interpretation of HRM in the current crisis, the interviewees from manufacturing companies often referred (see also A 3:22_C) to former crisis periods (the code ‘Similarities with previous crises’ (15 quotes), and the code ‘Dissimilarities with previous crises’ (14 quotes). We conclude that past crises within the company or in the whole sector act as substantially important assimilation factors for the selected manufacturing companies.

3.1.4. In the financial institutions accommodation process prevails

Figure 2 shows the ratio between assimilation and accommodation processes for the interviewees in financial companies. A tendency towards accommodation processes exists. In comparison to the selected manufacturing companies, the trend here is the opposite. On the right (accommodation) side, dynamic activities in the interpretation of HRM are seen with a high incidence of quotes in the codes ‘Crisis affects HRM’ schemas (42 quotes) and ‘Crisis affects HRM activities’ (34 quotes). Comparisons between quotes in ‘Strategic role of HRM’ (time 1; time 2) (53 quotes and 69 quotes respectively) show that between 2009 and 2011 restructuring in the interpretation of strategic role of HRM has taken place among interviewees.

Furthermore, comparison between codes ‘Crisis does not affect organisational schemas’ (13 quotes) and ‘Crisis affects organisational schemas’ (28 quotes) shows more quotes in favour of changing process that took place in interpretation of organisation. Last but not least, code ‘Disagreement about the role of HRM in the organisation’ (20 quotes) shows conflicting positions of different stakeholders about HRM, which is often an integral part of organisational changes. According to this we conclude that in the selected financial institutions new interpretations and considerations for the role and meaning of HRM in these companies exist.

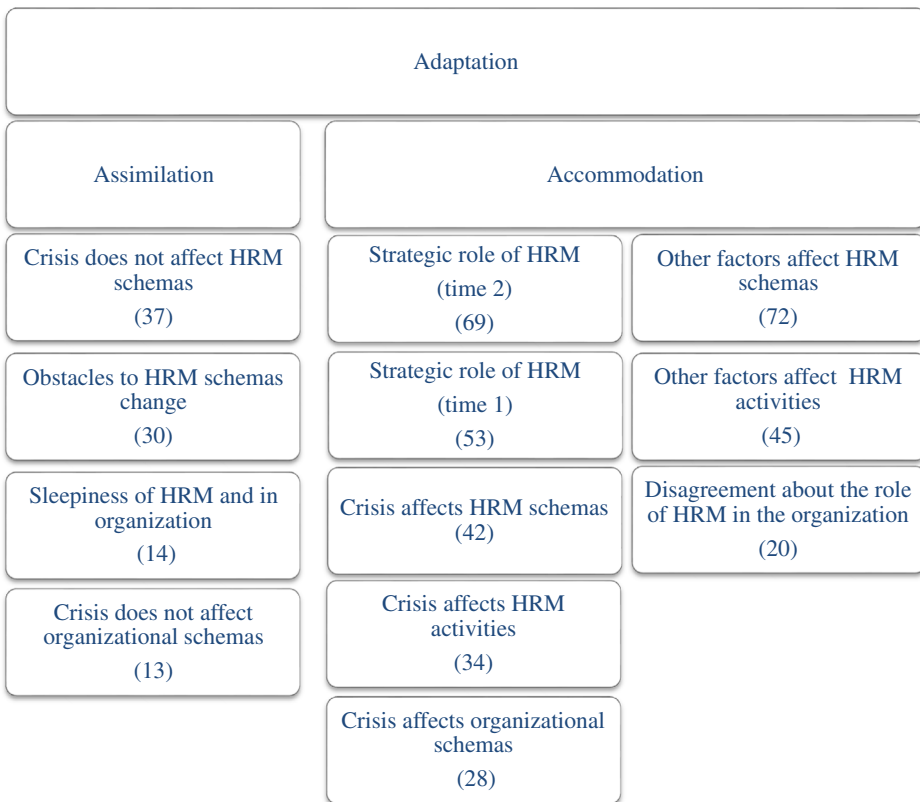


Figure 2. Selected codes and number of quotes within assimilation and accommodation processes for financial institutions.

Among the observed effects of the crisis on their interpretive schemas, the interviewees reported crisis as an opportunity for higher value ascribed to HRM (33% quotes in the code 'Crisis affects HRM schemas'). Moreover, the participants from the financial sector interpret crisis as an opportunity for deliberation and some sort of leverage for HRM to either gain more importance in a company or to reduce it (33% quotes in the code 'Crisis affects HRM schemas'). This is consistent with the code 'Management's schemas' with 63 quotes, where crisis was perceived as an opportunity to become more strategic and less administrative in 17% quotes, as it had been *modus operandi* in former periods in the financial sector:

Crisis might be a triggering moment for HRM department to become more strategic. In fact, HRM should not only serve managements ideas, but also actively participate as early as at the level of annual plans. In the past, for example, we came up with the idea – let's employ without any consideration, no matter whether we'll need this new member for a temporary period of time or whether it will be enough work in the long-term. Whatever will be, will be; in this sense. (F 1:38_B)

Twenty-five per cent of quotes in the code 'Crisis affects organisational schemas' (28 quotes) summarise feelings of fear and discontent during crisis and further 21% quotes summarised the role of crisis in self-questioning in the organisation:

In regard to human resources, I would say this: in the times of difficulties you are able to test functioning capabilities inside the system very quickly [...] In crisis, you have to be fast, reactive, you have to know how to collaborate, how to be creative. That's also the time, when you are able to find out whether in this potential pool of yours you have suitable personnel. This is for certain. (F 3:15_N)

3.1.5. Conjunction is an important accommodation factor among the participants from the financial institutions

Interview results show only moderate effect of the crisis on HR activities and the interpretation of HRM (codes 'Crisis affects HRM activities' [34 quotes] and 'Crisis affects schemas of HRM' [42 quotes]). Other factors were reported as more important for the interpretive schema change in the crisis of 2008 (the codes 'Other factors affect activities of HRM' [45 quotes] and 'Other factors affect HRM schemas' [72 quotes], see Figure 2).

As a whole, the financial sector had been expanding for years prior to the crisis of 2008 in Slovenia without any major turbulence. What was interesting though, are notions and comparisons regarding the times of conjuncture: '[...] Strategy is not built through the night, but in half a year ... and, in the beautiful times of fat cows, the expectations were completely different than later on' (F 9:16_N). It may be concluded that in the crisis of 2008, economic conjuncture served as an important accommodation factor in the selected financial companies.

At aggregate level, the results of interviews show that HRM activities, its role, and meaning are not so affected by the actual financial crisis over time in research. Different crises at a company level or at sectorial level, organisational cultures, personal variables, new business strategy, sectorial specifics and disagreements about HRM within organisations are main factors that might stimulate interpretive schema changes over time.

3.2 Annual reports

Analysis of annual reports explains levels of social responsibility towards employees reporting in the companies as one of the aspects of the presence of HRM schemas. GRI

Performance indicators ‘Labour practices and decent work’ provide nine aspects of reporting on corporate social responsibility in the annual reports. These are subdivided into five sub-dimensions, as Table 1 shows.

Two out of nine aspects, namely LA5 and LA14 have not been reported in any of the annual reports therefore, they were not included in the analysis. In sum, maximum sum of 21 points was possible for reporting about ‘Labour practices and decent work’ social responsibility aspect in each annual report (7 indicators and 3 points for complete reporting of the indicator). In three years, maximum of 63 points was possible per company.

In Figure 3, the first three institutions are manufacturers in the automotive industry (I, M, C) and the second three are financial institutions (N, B, P). The highest score (14 points) got company N for reporting in 2008 annual report. The lowest score (4 points) received companies P (for reporting in 2007) and B (for reporting in 2009). There was more homogeneity among producers in the automotive industry regarding reports of social responsibility. On the other hand, reporting is relatively heterogeneous among the financial institutions. Within the selected companies, continuity exists in quantity of their reporting, where companies, which in 2007 reported some of social responsibility criteria, more probably continued to do so also in 2008 and in 2009 (P is an exception). To conclude, all

Table 1. GRI Performance indicators ‘Labour practices and decent work’.

Employment

- LA1 Total workforce by employment type, employment contract and region
- LA2 Total number and rate of employee turnover by age group, gender and region

Labour/Management Relations

- LA4 Percentage of employees covered by collective bargaining agreements
- LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

Occupational Health & Safety

- LA7 Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region
- LA8 Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases

Training and Education

- LA10 Average hours of training per year per employee by employee category

Diversity and Equal Opportunity

- LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity
- LA14 Ratio of basic salary of men to women by employee category

Source: <https://www.globalreporting.org>

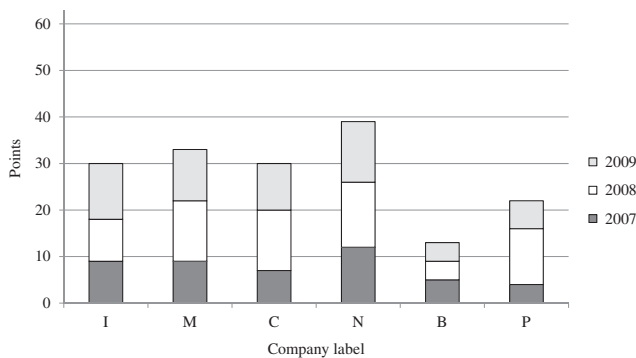


Figure 3. Accumulated results for dimension ‘Labour practices and decent work’ in annual reports.

the companies in this study report only moderately about responsibility towards employees, according to GRI standards.

Relative homogeneity of reporting on responsibility towards employees among the manufacturing companies in the examined years as well as in comparison between these companies shows stability of HRM interpretive schemas, which is consistent with the interview findings. The situation in the financial institutions is, however, more complex. Two out of the three companies show internal consistency of reporting within the three-year period, yet the comparison between the companies from the financial sector shows big differences regarding socially responsible practices. The difference is evident in companies N and B, where N was awarded for its best annual report among financial institutions (Horvat, 2010), whereas in B data is sparse and by all criteria incomplete. The discontinuity of reporting exists within institution P, from which instability of HRM schemas might be indirectly deduced.

Surprisingly, the companies report less about social responsibility toward employees in their 2009 annual reports in comparison to 2008 annual reports. One HRM executive made a statement in regard to this dilemma:

This social responsibility is all on me. And this is all passé already. And one time I bring this into focus, next time something else. It was a little different in 2009, and we put emphasis on on-the-job-training. ... In 2008, the data based more on development. (F 15:66_P)

So, partly because of her wish not to repeat herself, and in part because of her perception of what is important, the manager did not include holistic information about (socially responsible) HRM activities of the bank.

Some companies partly rely on annual reports from previous years. In this manner, the process of writing new ones is somehow eased, but at the same time, the chance of including new content regarding GRI dimensions is minimised. Even though there are big differences among the companies in regard to this, the copy-paste function was used for some of the descriptive elements in 'Labour practices and decent work' dimension of annual reports in two companies.

Other companies as well do not report some aspects of their social responsibility according to GRI, though it was evident from the interviews that some socially responsible acts were practiced or recorded (for example, analysis of workplace accidents for specific groups of employees or injuries per region). Unsystematic reporting on average number of hours per year for education of employees or employee structure in different regions was also recorded. Because of Slovenian historic and geographic features, companies scarcely report the percentage of minorities, percentage of disabled workers or the percentage of foreign workers in their structure of employees. In this way, an impression of homogeneous society is unduly created.

At the same time, some companies do report on some of the aspects of their social responsibility towards their employees that do not match analysis according to GRI. For example, company P is in the region well renowned of equal opportunities for men and women among its employees. This was also mentioned in their annual reports, but it could not be directly included into the GRI check-list.

Another conclusion is that companies from different sectors report different aspects of social responsibility towards employees. This is consistent with Horvat (2015), who claims that social responsibility is perceived differently – in each branch from its own perspective – in accordance with Slovenian loose legislation in regard to annual report writing.

As companies in Slovenia are obliged to produce an annual report without specifying its content apart from financial report, a lot of flexibility is permitted to companies.

4. Conclusion

We were interested in how do interpretive schemas of HRM change in the observation period. It was assumed that HRM is subjected to increased accommodation processes during economic turbulence. Interview results have shown that the present crisis, various previous crises in the organisation or sector, heterogeneous other factors, and the existent disagreement about the role and importance of HRM in organisations to some extent changed the interpretive schemas of HRM among the interviewees in the financial sector, but not in the automotive companies. Additionally, annual reports of four out of six companies show stability in their reporting about social responsibility, thus inferring on stability of HRM schema. These results are now explained.

According to interview results and content analysis of annual reports, the current crisis has not yet been a factor of diminished role and meaning of HRM in all but two companies. Results from different data sources show that the crisis reinforced current interpretive schemas of HRM in the first place. While the manufacturing companies are considerably homogeneous in their scope of adjustments to the crisis, the financial companies considerably differ from each other regarding their scope of activities. All three financial institutions also show more changes in their interpretive HRM schemas according to interviews and in their annual reports (companies B and P) during research time. In companies B and I, though, change happened as a consequence of restructuring and leadership change.

The interviewees from the automotive industry were in the crisis substantially attached to their experiences with the previous crises in their company or in the sector. Their interpretive schemas about HRM are rich and broad. From this we inferred the prevailing processes of assimilation in their schemas at the time of observation. It can be concluded that their schemas include the 'crisis HRM' attribute, which is, among others, the result of previous crises and which allows the participants from the manufacturing sector to act effectively in the current crisis.

Interview results in the financial institutions and annual reports from companies B and P show dynamic activities in their interpretive schemas of HRM, which point to accommodation, i.e., restructuring activities, transformations and a new consideration about the role and importance of HRM in the interpretive schemas of the respondents from the selected financial institutions. Interpretive schema change is thus possible in the future.

The research emphasises that the role, significance and transformation of HRM area in the interpretive schemas of the participants is importantly influenced by other variables such as competences of HR manager, personal traits of employees and managers, values, motivation and existence of defence mechanisms in the organisation. The significance of interpersonal relations between HRM and management of the company was emphasised as an important inter-individual variable.

4.1 Limitations

Examining interpretive schemas over a relatively short period did not allow reaching conclusions on relevant changes of their schemas. Long-lasting modification of cognitive schemas

or second order change (Bartunek, 1984) requires more time; otherwise there is a risk that it is only a matter of superficial change without any lasting consequences. Limitations of the sample have to be taken into consideration: sampling bias, systematic bias and limitation of generalisations about the entire population are examples of this. Since the sample is not representative, the results of the study cannot speak for the entire population. Therefore, external validity of the study is lower. In the management literature, organisational crisis is caused also by nature of environmental change whereby environment can be decoupled into industry and institutional environment. Nature of institutional changes in automotive and in financial sector is thus not the same. In automotive sector technological change prevails while in financial sector regulatory change is dominant. Hence, sampling and a nature of change affects the results.

Furthermore, quantifications of results are intended in the forthcoming study, in which personal, organisational and environmental variables and their role in interpretive schema change are going to be explored further. Crucial HR variables that were suggested by Gregorc, Meško, Videmšek, and Štihec (2012) as well as elements of organisational culture that were analysed by Jaakson et al., 2012 and Meško Štok, Markič, Bertoncej, & Meško, 2010 and their relative impact on changing interpretive schemas of HRM will be analysed.

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