Abstract

The topic of this thesis is organisational strategy and competitive advantage, and the problem formulation is as follows: *"Is there a strategy, which would provide Scandinavian recruitment consultancies with a competitive advantage on the global market?"* The empirical data is mainly based on reports and articles, and the methodological approach to analysing the data is mixed methods, hence both qualitative and quantitative. The philosophy of science of the thesis is based on critical realism, which has provided the thesis with guidance on how to gain a deeper understanding of the data in terms of three layers.

Moreover, the thesis consists of a literature review, which provides a presentation of existing literature relevant to the examination of the problem formulation. This literature consists of the following topics: strategy, competitive advantage, organisational culture, globalisation and recruitment. The purpose of this literature was to obtain knowledge about the already existing literature with in the field and to add a deeper theoretical stance to the investigation of the problem formulation. Furthermore, the theory section introduced an analytical approach consisting of three elements: the SWOT-analysis, the TOWS-matrix and 'Porter's Generic Strategies', which all provide the thesis with different contributions.

The results from the SWOT-analysis showed both differences and similarities within the internal and external factors between People & Performance and Mercuri Urval. The results of the SWOT-analysis lead to the TOWS-matrix, which identified some of the possible strategic initiatives based on the results from the SWOT-analysis. The third element of the analysis, 'Porter's Generic Strategies' analysed and discussed the strategic position of the two organisations within the global market. This showed, that People & Performance and Mercuri Urval were located more or less within the same area, which is within the scope of target 'broad' and in between the two sources of competitive advantage 'cost leadership' and 'differentiation'. This means, that both People & Performance appeal to a broad target group and intends to have the competitive advantage of low prices and being able to differentiate itself of the global market.

The discussion touches upon topics from the analysis such as the chosen analytical framework and the implications hereof. Furthermore, the discussion touches upon the implications of the finding in relation to the relevant theory and literature of this thesis, as well as practical implications of the thesis in relation to similar organisations.

To conclude, the findings of the analysis and the discussion section of this thesis indicate that there is no exact strategy, which would provide a Scandinavian recruitment consultancy with a competitive advantage on the global market. The reason to this is, that not all factors that play a role in relation to gaining a competitive advantage can be treated as a strategy, as for instance organisational culture, which needs to arise naturally between employees, and which not can be forced in relation to the implementation of a strategy. Nevertheless, on the basis of existing literature and the findings of this thesis, there is a tendency that having a local approach to the global market has benefits in terms of gaining a competitive advantage.

Organisational Strategy and Competitive Advantage

– A Comparative Case Study on Scandinavian Recruitment Consultancies

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31 May 2019

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Number of keystrokes: 152.501

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1. Introduction

The globalisation of markets is increasing and according to the DHL Global Connectedness Index the world ended 2017 more globalised than ever before (Ghemawat, 2019). Based on an article from business.com, Scandinavian organisations are looked up to and are used as inspiration for other countries in terms of gaining business success (Nastasi, 2017). Organisations like Novo Nordisk, IKEA and Mærsk, just to mention a few, which are all Scandinavian based have succeeded on the increasingly growing global market. So, what cause this success? Understanding the fundamental principles of competitive advantage is important for generating an effective business strategy, investing successfully, and understanding the economy on a national and global scale (White, 2019). Competitive advantage is a set of qualities that give organisations control over their competition. It permits organisations to offer their target market a product or service with higher value than industry competitors (White, 2019). Therefore, gaining a competitive advantage on the global market is at every organisation's interest. As an effect of the globalised economy, organisations should not just attempt to have the most market share locally or even nationally, but should instead consider their position on a global scale (White, 2019). In connection with this, there are several suggestions and great advice on which strategy to implement to gain such a competitive advantage on the global market, still, how come some organisations does not succeed in obtaining a competitive advantage and accomplish a position within the global competition?

As a part of my 9th semester, I completed an internship at People & Performance A/S, a Danish HR consultancy based in Horsens and Holte. During my time with People and Performance, I experienced first hand being a part of a local recruitment consultancy competing on the global market. There was a sense of self-consciousness about being attractive, both locally and globally, however, with one days notice the organisation went bankrupt in February 2019. As a contrary to People & Performance, Mercuri Urval, a recruitment consultancy established I Sweden, will also be part of the investigation of this thesis. People & Performance went bankrupt in February 2019 after 15 years in the recruitment industry, however, Mercuri Urval has been on the marked for more than 50 years and has offices in 23 countries. The thesis will entail a comparative case study with the purpose of looking into two Scandinavian

recruitment consultancies, which have experienced the meeting with the global market in different ways. Hence, this provides the opportunity to look into the differences and similarities of two organisations within the same business, where one had the right intentions, however did not succeed, and compare it to a successful global organisation. The analysis will be conducted with the stances of critical realism as well as a mixed methods approach.

1.1 Problem Statement

In extension to the above introduction, the problem statement of this thesis is based on the areas of organisational strategy and competitive advantage. Due to the increasing globalisation and the need for organisations to obtain a competitive advantage to compete effectively on the global market, this thesis intends to investigate the importance of strategic approaches.

1.2 Problem formulation

Based on the above introduction to the topic of the thesis and the problem statement, the problem formulation is as follows:

"Is there a strategy, which would provide Scandinavian recruitment consultancies with a competitive advantage on the global market?"

To clarify ambiguous terms in relation to the problem formulation, elucidation will now be provided. The term of *global market* is commonly known as the activity of buying or selling goods and services in all the countries in the world. Hence, this thesis does not focus on specific countries within the global market, however it intends to investigate if there is a strategy, which can provide Scandinavian recruitment consultancies with a competitive advantage on the global market. Therefore, the thesis does not include external factors such as political and economic factors within specific markets, however, it includes more general external factors such as competition within the recruitment industry. The definition of *competitive advantage* is: A competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater

benefits and service that justifies higher prices (Porter, 1985). This definition is based on Porter's theory 'Porter's Generic Strategies', which is also part of the analytical framework.

To examine the problem formulation, this thesis will consist of several sections. Following this section, the literature will be provided as well as the analytical framework, which consists of three parts: the SWOT-analysis, the TOWS-matrix and Porter's Generic Strategies. Afterwards, an introduction to the methodology will be introduced. This part entails the philosophy of science, methodological approaches, research design, case organisations, data collection, data analysis and delimitations. Following this, the analytical findings will be presented. These findings lead to the discussion section, where some of the topics from the findings will be discussed in relation the literature and the chosen methodological stances. Finally, a conclusion will be drawn, as well as answering the problem formulation, on the basis of the analytical findings and the discussion section.

2. Theory

In this part of the thesis I am going to introduce theoretical stances related to my problem formulation. I have chosen to focus on the terms of strategy, competitive advantage, globalisation and recruitment as the main literature, as they will provide relevant knowledge for examining the problem formulation. First and foremost, a literature review of the essential terms mentioned will be provided. Afterwards, the analytical framework for this thesis will be outlined based on the literature review. The purpose of this section of the thesis is to research existing literature relevant to the problem formulation. The interplay between the literature review and the chosen analytical framework will form the base for examining the problem formulation in the analysis.

2.1 Literature review

The literature review will be divided into four parts, where the existing literature of the chosen research areas will be reviewed. These four parts consist of: strategy, competitive advantage, organisational culture, globalisation and recruitment. The reason why these four areas have been chosen is, that they are relevant for the problem formulation and it is

necessary to dig deeper into the terms and definitions of these to gain a better understanding of the terms to be able to examine the problem formulation.

2.1.1 Strategy

Johnson, Scholes & Whittington, respectively Professor of Strategic Management at University of Strathclyde and Principal Partner of Scholes Associates at Sheffield Hallam University and Professor of Strategic Management at the Saïd Business School (Johnson, 2005), defines the characteristics of strategy in their book Exploring Corporate Strategy (Johnson, 2005). According to Johnson, Scholes & Whittington, strategy is likely to be concerned with the long-term direction of an organisation and can be seen as the search for a strategic fit with the business environment. It can also be seen as creating opportunities by building on an organisation's resources and competencies (Johnson, 2005, pp. 6-7). Strategic decisions are likely to be concerned with the scope of an organisation's activities and are normally about trying to gain advantage for the organisation. Strategy and the strategic decisions of an organisation are, according to Johnson, Scholes & Wittington, affected by both environmental forces, strategic capability and also the values and expectations of those who have power within and around the organisation (Johnson, 2005, pp. 7).

In his book 'The Rise and Fall of Strategic Planning' from 1994 Henry Mintzberg, a Canadian Professor in Business and Management, points out that people utilise the term of strategy in several different ways, however the most common ones being the following four (Mintzberg, 1994):

1. Strategy is a plan, a "how," a means of getting from here to there
2. Strategy is a pattern in actions over time; for example, a company that regularly markets very expensive products is using a "high end" strategy
3. Strategy is a position; it reflects decisions to offer particular products or services in particular markets
4. Strategy is perspective, that is, vision and direction

   (Mintzberg, 1994)

Mintzberg claims that strategy appears over time as intentions collide with and accommodate a changing reality. Hence, one might start with a perspective and conclude that it demands a certain position, which is to be achieved by carrying out a carefully constructed plan, with the eventual outcome and strategy, which is reflected in a pattern apparent in decisions and actions over time. This pattern in decisions and actions defines what Mintzberg called "realised" or emergent strategy (Mintzberg, 1994).

Mintzberg has support in the earlier writings of other authors concerned with strategy in the business world, most remarkably, Kenneth Andrews (Mintzberg, 1994).

Kenneth Andrews, an American sociologist and a Harvard Business School professor, presents a definition of strategy in his book, 'The Concept of Corporate Strategy' from 1987 as follows:

"Corporate strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities."
(Andrews, 1987, pp. 18-19)

Andrews draws a distinction between "corporate strategy," which determines the businesses in which an organisation will compete, and "business strategy," which defines the basis of competition for a given business. Hence, he also estimated "position" as a form of strategy (Andrews, 1987). Strategy as the basis for competition is something another Harvard Business School professor, Michael E. Porter, highly emphasises.

In his work 'What Is Strategy' from 1996, Porter stresses the need for strategy to define and communicate an organisation's unique position, and he states that it should determine how organisational resources, skills, and competencies should be combined to create competitive advantage (Porter, 1996). Porter argues that competitive strategy is about being different. He adds, "The essence of strategy is choosing to perform differently than rivals do" (Porter, 1996, p. 64). In short, Porter argues that strategy is about competitive position, about differentiating

yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors (Porter, 1996).

The above leads to the next part of the literature review 'Competitive Advantage', where the term will be elaborated further.

2.1.2 Competitive advantage

According to Newbert, Ph.D. in strategic management and entrepreneurship from Rutgers University, gaining an understanding of what is competitive advantage and distinguishing this concept from organisation performance remains a challenge (Newbert, 2008). Though the terms of competitive advantage and performance are often used interchangeably, the terms do have conceptual differences. Competitive advantage can be characterised as the implementation of a strategy, which is not being used by other organisations, performance can be characterised as the results of the implementation of the strategies (Newbert, 2008). This means, that the accomplishment of competitive advantage by an organisation is a leading predictor of the achievement of organisational performance. In other words, if an organisation has identified their competitive advantage, they will use it as leverage to perform in the future, so the attainment of competitive advantage is predicting strong organisation performance (Newbert, 2008). It can be argued that this view on competitive advantage is rather simplistic and that other factors play a role in terms of a strong organisation performance.

Porter was one of the first authors within the field of competitive advantage. According to Porter, a competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices (Porter, 1985). This implies that competitive advantage means having low costs, differentiation advantage, or a successful focus strategy. In his book 'Competitive Advantage – Creating and Sustaining Superior Performance' from 1985, Porter states there are two routes to gaining competitive advantage – one route is focused on cost and the other route is focused on differentiation. When an organisation is applying either of the routes on a broad basis, the aim of the organisational is to achieve 'overall cost leadership' or 'overall product differentiation' (Porter, 1985). However, when applying the routes on a

narrow basis the organisation aims to achieve cost leadership or product differentiation in a specific market, which means, the organisation would gain a 'niche' or 'focus' strategy. Yet, the organisation will compete with other organisations in terms of both cost and differentiation, but their competitive advantage will come from either a cost or differentiation advantage (Porter, 1985). According to Porter, if organisations are not pursuing competitive advantage through either cost leadership or product differentiation, it will not be competing effectively as it will then try to 'please everyone'. Hence, the organisation will be 'stuck-in-the-middle' and will ultimately be failing (Porter, 1985). The framework of these strategies is called 'Generic Strategies' and will be elaborated in the section 'analytical framework'.

Another remarkable theory by Porter is his 'Five Forces' framework first published in 1979 (Porter, 1979). The 'Five Forces' framework is an analytical tool for assessing the competition of a business. The framework is used to identify the activity of the business area and the competition as well as it is used as an analysis of the organisation's position in the market. According to Porter, it is necessary for the organisation to know the competition situation on the market to choose an optimal competition strategy (Porter, 1979). The 'Five Forces' framework consists of an analysis of the following five areas: competition in the industry, potential of new entrants into the industry, power of suppliers, power of customers, and threat of substitute products (Porter, 1979). Yet, this theory can be argued to mostly fit within a business that sells a physical product, and not services as for instance recruitment consultancies does.

In connection to Porters definition of competitive advantage, Barney states: "a firm experiences competitive advantages when its actions in an industry or market create economic value and when competing firms are engaging in similar actions" (Barney, 2002, pp. 9). Barney adds, that to attain a competitive advantage it is necessary for the organisation to implement a value creating strategy that is not simultaneously being implemented by any current or potential competitor on the market (Barney, 2002). Quite similar to Porter's point of view, Barney argues that the achievement of competitive advantage by an organisation is sustained by the organisation being able to neutralise threats from rival organisations in the market (Barney, 2002). A critical view on Barney's definition is, that experiencing a

competitive advantage perhaps does not only entail creating economic value. Therefore, the theory might lack a more holistic approach to competitive advantage.

2.1.3 Organisational culture

The term of organisational culture derives from the concepts of 'group norms' and 'climate', which has been used by psychologists long before the term of culture. According to Schein, organisational culture can be difficult to define because the concept of organisations in itself can be ambiguous (Schein, 1990). He states, that it is the specific people in an organisation, which form a culture. This indicates, that the people in the organisation have had stability and common history and in that way formed a culture. Due to that, some organisations might not even have a specific culture, because the people in the organisation have not been able to establish a common culture. The other way around, organisations, which share a history and experiences might be interpreted as having a strong organisational culture. In that way, the content and the strength of a culture in an organisation is individual depending on the common history of the organisation (Schein, 1990).

As Schein explains, groups with a shared history can have a culture and because of that, in an organisation there can be many subcultures. The organisational culture is developed when the entire organisation has shared history and experiences. According to Schein, culture can be defined as:

"…a pattern of basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaption and internal integration, that has worked well enough to be considered valid, and therefore is to be taught to new member as the correct way to perceive, think, and feel in relation to those problems." (Schein, 1990, s. p. 111)

Having this in mind, once a group has learned to hold common assumptions, these patterns mentioned in the quote happen automatically and in that way creates meaning, stability and comfort (Schein, 1990). Yet, being critical to Schein's theory, it can be argued that the definition of organisational culture provided is somewhat broad and general and does not directly apply to a specific business or culture.

According to Kotter, culture within a business context is not the same as the organisation's strategy or structure. Strategy is simply a way for how to gain movement in a specific direction (Kotter, 1992). However, according to Kotter, the beliefs and practices in a strategy may, or may not, be compatible with the organisation's culture. Yet, when these beliefs and practices are not compatible with the culture, it can be difficult to implement the strategy successfully (Kotter, 1992). Usually organisational culture is referred to in singular, however, most organisations have multiple cultures. These subcultures could for instance occur within the organisation, due to it having several geographical units or different functional groups (Kotter, 1992).

Barney, an American Professor in Strategic Management, suggests another, and more specific, viewpoint on what organisational culture is. He has based some of his thoughts on Porter's work on competitive advantage and argues that, "organisations with sustained superior financial performance typically are characterized by a strong set of core managerial values that define the ways they conduct business" (Barney, 1986). Also, Barney states that there are three conditions, which an organisation must possess in order to achieve sustained competitive advantage through its culture: first and foremost, the organisation must be valuable, which means, that the organisation needs to take initiatives that lead to high sales, low costs, and in general things that add financial value to the organisation (Barney, 1986). Secondly, the culture must be rare. This implies the organisation having attributes and characteristics, which are not common within other organisations (Barney 1986). Finally, an organisation that seeks sustained competitive advantage through its culture must be imperfectly imitable. This means, that organisations, which attempt to imitate other cultures will be at some disadvantage, in terms of reputation, experience, etc., compared to the organisation they are trying to imitate (Barney 1986). Being critical to Barney's approach to organisational culture it can be argued that he emphasises the managerial factors too significantly, as culture is often referred to as something that should occur naturally within a group of people.

2.1.4 Globalisation

Globalisation is a term, which has a great history and which has several definitions according to the context. Due to this, this section will provide a brief review of existing literature, which is relatable to the problem formulation of this thesis. This is to not include irrelevant knowledge and to make sure that the literature review will be true to the topic and the problem formulation.

Bartlett and Ghoshal raised the issue of whether to standardise worldwide or to adapt to the environment of each country, which can be considered an important strategic consideration, due to the fact that competition is globalising (Bartlett, 1998). According to Bartlett and Ghoshal, globalising and localising forces work together and success depends on whether a business can achieve global efficiency and national flexibility simultaneously (Bartlett, 1998). The term of local responsiveness implies that the organisations make strategic decisions based on local context. According Bartlett and Ghoshal the five key drivers for local responsiveness are: the differences in consumer tastes in the different countries, the typical characteristics of the product system in host countries, the administrative costs of coordinating manufacture on a global basis, the improvements in technologies enable organisational to disperse manufacture to smaller local plants with low cost, and finally, the trade and legislative barriers set by local governments (Bartlett, 1998) This leads to the saying of "think global, act local", which Bartlett and Ghoshal assert as organisations becoming more globally competitive and, simultaneously, more sensitive and responsive to national conditions (Bartlett, 1998). Being critical to Bartlett and Ghoshal's theory, especially regarding the local responsiveness, it can be argued to fit better within another industry than recruitment, as it, for instance, proposes terms such as improvements in technologies, smaller plants, and coordinating manufacturing. However, the point saying that organisations make strategic decisions based on local context is still relevant to this thesis.

Levitt introduces another school of thought. According to him the globalisation of markets entails the universality of preferences, the standardisation of products and services, and the appropriateness of marketing designs (Levitt, 1983). According to Levitt, only global organisations concentrating on what everyone want rather than concentrating on details of what everyone think they want will achieve long-term success (Levitt, 1983). This view on

globalisation seems to be very simplistic and could be interpreted as underestimating the eventual importance of being able to adapt to the individual markets.

Contrary to Levitt's point of view, Douglas and Wind introduces another belief, which states globalisation being merely a myth, due to the over simplistic nature of, for instance, Levitt's thesis of globalisation of markets (Douglas, 1987). To quote Douglas and Wind:

> *"The adoption of a strategy of universal standardization appears naïve and over simplistic (...) such an approach as a universal strategy in relation to all markets may not be desirable, and may lead to major strategic blunders (...) The design of an effective global marketing strategy does not necessarily entail the marketing of standardized products and global brands worldwide."* (Douglas, 1987, s. p. 19-20)

Again, based on the above quote, Douglas and Wind state the next big evolutionary step of "going global" now has to be "going local", in response to the growing demand for greater flexibility, responsiveness and local sensitivity, and also, according to Douglas and Wind, this view on globalisation is pegged on the presence of local variations in taste, both on an individual basis and shared scales, which influence decision-making processes (Douglas, 1987).

When having the problem formulation of this thesis in mind, all of the abovementioned viewpoints on how to perceive globalisation could influence the thesis in different ways. However, based on the problem formulation, what would benefit the examination the most would be to view globalisation from a point of view very similar to the one Bartlett and Ghoshal has provided. Based on the viewpoint that globalising and localising forces work together and success depends on whether a business can achieve global efficiency and national flexibility simultaneously would be relevant to have in mind during the thesis, as it examines Scandinavian based recruitment consultancies on the global market.

2.1.5 Recruitment

According to Werther and Davis, respectively Professor in Management at the University of Miami and former President of the Academy of Management at Arizona State University (Sage Publishing , n.d.) (Academy of Management, n.d.), recruitment is the process of finding and attracting suitably qualified people to apply for job vacancies in the organisation. It contains several activities an organisation uses to attract job candidates who have the desired abilities and attitudes (Werther, 1989). Hence, according to Werther and Davis, recruitment can be described as the process of generating a pool of qualified applicants for organisational job vacancies (Werther, 1989). One of the activities within the recruitment process is selection, which is the process of choosing the most suitable applicant from the pool of applicants recruited to fill the relevant job vacancy (Werther, 1989).

It is worth mentioning that there is a difference between in-house recruitment and consultancy recruitment. In-house recruitment covers the internal needs of a single organisation and the recruiters are most likely employed in the given organisation. However, consultancy recruiters work for several clients and hire candidates across different industries (Pavlou, n.d.). This thesis will only focus on consultancy recruitment.

Similar to Werther and Davis, Flippo, former Professor in Management at The University of Arizona, states that recruitment is the procedure of generating competent individuals' pool to apply for employment within an organisation. Hence, the general purpose of the recruitment process is to provide the organisation with a pool of potentially qualified candidates for the job available (Flippo, 1976).

In relation to the selection within the recruitment process Cassell et al. add that the referrals, in terms of e.g. the candidate's former leader or colleagues, played effective role in the hiring process, because the referrals were able to provide the recruiter with information about the candidate during the recruitment process (Cassell, 2002). Other aspects of the process are something that DeCenzo & Robbins touch upon in their book Fundamentals of Human Resource Management from 2010 (DeCenzo, 2010).

According to DeCenzo & Robbins, respectively Professor of Management at Towson University and Ph.D. at University of Arizona, an effective recruiting process requires a

significant pool of diverse candidates to select from (DeCenzo, 2010). Attaining an adequate pool of candidates, however, may not be easy, and recruiters need to know the best places from where they are able to recruit qualified candidates. This can be exceptionally challenging in times of economic growth that result in a tight labour market and overwhelming during difficult economic times resulting in overqualified candidates or an abundance of résumés (DeCenzo, 2010). A significant objective of recruiting, then, is to communicate the position in such a way that qualified candidates respond. The reason to this is, the more applications received, the better the recruiter's chances are for finding the candidate who is best suited to the vacancy (DeCenzo, 2010).

To briefly sum up the above literature review on recruitment is appears, that all of the authors mentioned more or less agree on the term and function of recruitment and the process hereof. The literature shows that recruitment entails several processes for attracting relevant and qualified candidates based on systematically identifying the job vacancy, describing the job, gathering information about the individual candidates and so on. Furthermore, recruitment is a challenging task because the candidate's ambitions and objectives need to fit with the organisation. On the basis of the above literature review on recruitment, this is the point of view this thesis will have on the area.

2.2 Analytical framework

In this sub-section to the theoretical part the SWOT-analysis, the TOWS-matrix and 'Porter's Generic Strategies' will be elucidated. For the thesis, all three will function as the analytical framework where the above literature review will provide more in-depth knowledge relevant to examine the problem formulation.

2.2.1 The SWOT-model

When developing a business strategy it can be beneficial to take use of the SWOT-analysis, which is a business tool that can help identify and understand the organisation's competitive and managerial situation. The analysis describes both internal and external factors, which respectively are: strength, weaknesses, opportunities and threats (Lægaard, 2013, s. 254).

The purpose of doing a SWOT-analysis is to develop an organisation's strategy on the basis of a well-considered situational analysis where both internal and external factors are analysed. Also, for the model to be relevant and useful for creating a realistic view of the organisation, the SWOT-analysis should be seen in relation to competing organisations on the market (Lægaard, 2013, s. 254-256).

The internal factors, strengths and weaknesses, within the SWOT-analysis covers the factors, which the organisation itself can influence on a daily basis in terms of existing resources within the organisation. Hence, the essential questions are, does the organisation have the necessary resources in terms of employees, management, economy, expertise and knowledge? (Buskbjerg, 2019). When analysing the internal factors, the relationship between strengths and weaknesses appears and it becomes easier to find solutions to eventual internal weaknesses and challenges (Buskbjerg, 2019).

The external factors of the SWOT-analysis cover opportunities and threats, which comes from sources outside of the organisation. These factors are uncontrollable, which will either be an advantage or a disadvantage for the organisation, anyhow, these factors can't be controlled. So, these factors are uncontrollable; a thorough analysis will enhance the chance for a competitive advantage on the market (Buskbjerg, 2019).

However, the purpose of the model is not only to fill in the internal and external factors. The purpose is to stay critical when analysing the four elements, which means that the analysis should include statistics, relevant and current news and measurements – in that way, the analysis will become well documented and reliable (Lægaard, 2013).

Some limitations when doing a SWOT-analysis are, that the model does not provide specific solutions or offer alternative decisions. This can be connected with another limitation, which is, that the analysis might produce a lot of information, however, not all of it turns of being useless (Queensland Government , n.d.). To avoid the information gained from the SWOT-analysis being useless and to secure that the information will end up with an actual conclusion, the thesis will contain a TOWS-analysis based on the finding from the SWOT-analysis. This will be explained further in the following section.

Model 1: SWOT-model

(Minesota Department of Health , n.d.)

2.2.2 The TOWS-matrix

The TOWS-matrix supports the SWOT-analysis by focusing on which areas are needed to focus on as strategic development opportunities. The purpose of the TOWS-matrix is to identify the strategic development possibilities of the organisation. These are expressed through combinations of internal and external factors of the SWOT-analysis. The outcome from the combinations will provide suggestions to new initiatives when working with an organisation's strategy (Lægaard, 2013, s. 261). The following is the combinations of the internal and external factors from the SWOT-model, which will form the basis for the TOWS-matrix:

- *SO-actions:* Which actions do the organisation's strengths (internal) and opportunities (external) lead to? This implies initiatives, where the organisation can utilise it's strengths to take advantage of an opportunity.

- *WO-actions:* Which actions do the organisation's weaknesses (internal) and opportunities (external) lead to? This implies initiatives, where the organisation can take advantage of an opportunity in spite of its weaknesses.
- *ST-actions:* Which actions do the organisation's strengths (internal) and threats (external) lead to? This implies initiatives, where the organisation utilises its strengths to counter a threat.
- *WT-actions:* Which actions do the organisation's weaknesses (internal) and threats (external) lead to? This implies initiative, where the organisation must respond to a threat even if the organisation has a weakness within the area.

(Buskbjerg, 2019) (Systime A/S, n.d.)

In the below the TOWS-matrix is presented. By analysing strengths and weaknesses, opportunities and threats, the next step within this thesis is to identify, which strategic initiatives are possible on the basis of the results from the SWOT-analysis.

Model 2: TOWS-matrix

		Internal conditions	
		Strengths (S) 1. 2. 3. 4.	Weaknesses (W) 1. 2. 3. 4.
External conditions	Opportunities (O) 1. 2. 3. 4.	(SO) Strategic initiative 1. 2.	(WO) Strategic initiative 1. 2.
	Threats (T) 1. 2. 3. 4.	(ST) Strategic initiative 1. 2.	(WT) Strategic initiative 1. 2.

(Systime A/S, n.d.)

2.2.3 Porter's Generic Strategies

Here, Porter's Generic Strategies is presented. The purpose of the theory within this thesis is to analyse and discuss People & Performance & Mercuri Urval's position on the market.

According to Porter, an important factor when choosing a competitive strategy is to determine the position within the industry of the organisation, hence, an organisation that can position itself well has high chances of earning high rates (Porter, 1985). In his book 'Competitive Advantage – Creating Superior Performance' from 1985, Porter states that "Being all thing to all people" is a recipe for strategic weakness or below average performance, which indicates that the organisation has no competitive advantage (Porter, 1985, pp. 12). Fundamental for above-average performance organisations in the long run is creating sustainable competitive advantage. According to Porter, there are three basic types of competitive advantage an organisation can achieve: cost leadership, product differentiation and focus. The focus strategy has two variant: cost focus and differentiation focus as shown in the matrix further down this section (Porter, 1985).

Each of the generic strategies can in different ways lead to competitive advantage, which is a combination of the choice of the type of competitive advantage and the scope of strategic target (Porter, 1985). As illustrated in the matrix below, the aim of the cost leadership and differentiation strategies is to seek a competitive advantage in a broad range, while the aim of the focus strategies (cost focus and differentiation focus) seek a competitive advantage within a narrow segment and will most likely create a niche (Porter, 1985). The specific actions essential to implement one of the generic strategies vary from industry to industry. In this thesis, these specific actions will be analysed on the basis of the above-mentioned SWOT-analysis and TOWS-matrix.

Cost leadership is the strategy where the organisation seeks to be the low-cost performer in its industry. Also, this strategy entails that the organisation has a broad scope and is able to serve several customers (Porter, 1985). Low-cost performers usually sell a standard or pared product or service. According to Porter, if the organisation can achieve and sustain overall cost leadership, it will become an above-average performer (Porter, 1985).

Differentiation is the strategy where an organisation seeks to differentiate itself from the others on the market. This is done by selecting some attributes that several consumers perceive as important and afterwards the organisation uniquely positions itself to meet those needs. Hence, the price of the product or service will also be affected by the uniqueness (Porter, 1985). The differentiation can appear in different variations depending on the industry, however, the differentiation could for instance be within the product itself, the delivery, or perhaps the marketing approach (Porter, 1985). According to Porter, an organisation that can achieve and sustain differentiation will become an above-average performer if its economic income exceeds the extra costs incurred by being unique (Porter, 1985).

Focus is a strategy, which is different from the cost leadership and the differentiation as it rests on the choice of a narrow competitive scope within a specific industry (Porter, 1985). Organisations, which utilise focus strategies concentrate on specific niche markets and, by understanding the dynamics of that market and the unique needs of customers within it, develop uniquely low-cost or well-specified products or services for that market (Porter, 1985). An organisation that can achieve sustainable cost leadership (cost focus) or differentiation (differentiation focus) in its specific target market, the organisation will become an above-average performer.

An organisation that chooses to engage in each of the generic strategies, however fails to achieve any of them, is according to Porter 'stuck in the middle' (Porter, 1985). Contrary to choosing one of the above-mentioned strategies, being stuck in the middle most likely means the organisation being a below-average performer. Becoming stuck in the middle is usually a sign of the organisation not being able to make a decision about how to compete and will in most situations be outcompeted by other organisations, which did make a decision on which strategy to utilise (Porter, 1985). With that said, some organisations are able to create separate entities within the organisation, which means, that they perhaps are able to take use of several strategies event though there is a risk of being stuck in the middle (Porter, 1985).

Model 3: Porter's Generic Strategies

(MindTools, n.d.)

A critique on Porter's generic Strategies is, that it is overly broad and present a narrow view of differentiation with a unique product sold at a high price, and on the other hand a standard product. Also, it can be discussed that differentiation and cost leadership can actually go together depending on the industry and specific organisation the model is used on.

3. Methodology

In this part of the thesis I am going to introduce the methodological stances used for examining the problem formulation. The purpose for this section is to explain the approach to examining the problem formulation. First, a presentation of the philosophy of science chosen for the thesis will be provided. Second, the methodological approaches are presented. Third, the research design, consisting of an introduction to case studies is provided. Fourth, the case organisations in terms of People & Performance and Mercuri Urval will be introduced. Afterwards, data collection and data analysis will be explained, and finally, the delimitations of this thesis are presented.

3.1 Philosophy of science

In this part of the methodology section, critical realism will be presented as the scientific approach for this thesis. First and foremost, the main principles of critical realism will briefly be described. This will be followed by an introduction of the term in relation to this specific thesis. Afterwards, an introduction to the qualitative and deductive approach in relation to the thesis will be provided.

3.1.1 Critical realism

The English philosopher Roy Bhasker was the founder of the critical realism, which is the holistic alternative to the scientific understanding of positivism. Critical realism spans several interpretive perspectives, however, this brief introduction will entail the perspective given by Peter Wad, a Danish Professor Emeritus in the Department of Management, Society, and Communication (Copenhagen Business School, n.d.). The reason why the perspective of Peter Wad is relevant for this thesis is, that he provides a global business take on critical realism. The critical realism has the same ontology as positivism, hence, there exists an objective reality independent of the individual observer and this persons knowledge of it. Furthermore, it entails going from experiencing phenomena to finding out which mechanisms, structures etc. has created this specific phenomena. Ontology is defined as the doctrine of being (Wad, 2015). However, critical realism differs from positivism in terms of the empirical realism: "reality is exhausted by what is perceived by human senses"[1] or, in other words, "what cannot be observed, does not exist"[2] (Wad, 2015). Hence, critical realism disagrees that reality directly reflects the empiric data and states that theory and empiric data only slightly covers reality (Wad, 2015). This leads to the thought of 'deep' ontology about reality as a complex system, which is build up by three ontological layers. In order to uncover the underlying mechanisms and how they support or cause the empirical and factual domain, the role of the researcher must be to uncover all three layers:

[1] *"virkeligheden er udtømt af det, som lader sig erfare med de menneskelige sanser"* (Wad, 2015)
[2] *"hvad der ikke kan iagttages, findes ikke"* (Wad, 2015)

1. The empirical layer, which entails an extract of reality and includes the experienced actions. Here is meant the individuals' perception and reflection of the factual events.
   - In this thesis, the empirical layer will be included as the data collected in relation to People & Performance and Mercuri Urval. The data will be specified further down in the methodology section.
2. The factual layer constituted by experienced and factually existing conditions. This includes phenomena and events that occur, whether or not they are experienced.
   - In terms of this thesis, the factual layer will entail the analysis of the empirical data.
3. The real layer, which includes structures of underlying generative forces and mechanisms that elicit the factually existing relationships and are therefore often unobservable.
   - The real layer illustrates the underlying layer, which in this thesis entails the discussions of the findings from the analysis.

Thus, these three layers reflects a 'deep' sense of reality with an open and complex system consisting of divided layers, which exist in relation to each other (Wad, 2015). To gain an understanding of the factual and empirical layer it is necessary to cover and explain the underlying mechanisms that support or perhaps cause the empirical and factual layer (Wad, 2015) Where positivism confines itself to the empirical domain (what cannot be observed, does not exist), the critical realism claims that reality has an unobservable character and thus embraces all three layers. Based on this 'deep' ontology, the critical realism thus differs from other science-theoretical approaches by 1) reality has a dimension that is not directly observable, which cannot be reduced to what empirically can be observed. 2) Reality does exist, whether it is acknowledged or not (Wad, 2015).

The aim of employing critical realism to this thesis is not only to understand which strategy People & Performance and Mercuri Urval have employed to the organisation, but also to investigate the underlying mechanisms, which can be decisive for whether the organisations are successful or not.

Critical realism is an appropriate philosophy of science as it intends to gain a deeper understanding of the underlying factors in an organisation, which cannot be achieved merely

by observing. Though, in the situation of this thesis, it might appear being a challenge to follow the layers of critical realism exactly, as the empirical foundation of does not entail correspondence with the case organisations in terms of, for instance, interviews. Yet, I find critical realism appropriate for this thesis, as its main concept will be an advantage for the problem formulation and will serve beneficial results in relation to the purpose of the thesis. Hence, critical realism provides a deeper insight into the case organisations People & performance and Mercuri Urval by not merely focusing on obvious and superficial facts, but offers insight into underlying factors of the organisations. This is an opportunity to examine the differences and similarities between the two case organisations of this thesis.

3.2 Methodological approaches

The methodological approaches in relation to this thesis consist of a combination of qualitative and quantitative, deductive and inductive methods. The qualitative method provides the thesis with a thorough way of examining the data, as it allows looking into some underlying factors such as organisational culture. When utilising the qualitative method, this thesis is only taking two organisations into account, which does not give the opportunity to generalise, however, it gives the opportunity understand coherence and mechanisms between People & Performance and Mercuri Urval, which might provide an insight into tendencies that can be transferred to other similar organisations. It is worth mentioning that I have been employed at People & Performance from August 2018 to February 2019 when the bankruptcy emerged. This entails that I have a greater insight into People & Performance than I have into Mercuri Urval. Therefore, I am aware that there is a risk of my own perceptions influencing the thesis, however, this knowledge also provides me with a better understanding of the data.

The quantitative method will also be taken into account in terms of a few statistics. The advantage by having a mixed data collection, which consists of both qualitative and quantitative data, is that more data is available and the quantitative data, in terms of statistics, will support the qualitative data, hence, provide a more in-depth analysis. In that way, the data can be connected and provide a broader perspective. Yet, if this connection of the qualitative and quantitative data does not succeed, there is a risk of the data collection being somewhat superficial, as the mixed methods will not offer an in-depth view into either the qualitative or quantitative data.

The deductive approach is another main approach of this thesis. Deduction means, starting from a theoretical point of view, and on the basis of this, formulate a problem formulation (Andersen, 2015). This shows by having theoretical stances to elucidate reality, in terms of the cases of People & Performance and Meruri Urval. Therefore, the deductive approach in relation to this thesis means, that the problem formulation is answered on the basis of cases examined in the light of theoretical stances. However, it can be argued that this thesis also includes the inductive approach, which focuses on the creation of theory by taking its point of departure in the empirical data (Andersen, 2015), as it takes its point of departure in a specific case study, and also, because some of the data will be coded, not on the basis of theory, but in relation to what is relevant in the data. This will be elaborated in section '3.5.3 Data collection: Mercuri Urval'.

3.3 Research design

The research design of this thesis entails a comparative case study. The choice of a case study is made because it is expected to advance the understanding of the research of the thesis. The purpose of a case study, in relation to this thesis, is to gain insight and understanding of the problem formulation rather than generalisation. This is also why the selection criteria for the chosen cases are based on criteria that are consistent with the problem formulation, litarature and the analytical framework. The purpose of a comparative case study for this thesis is to compare People & Performance and Mercuri Urval and draw conclusions hereof. Hence, the purpose is to compare the strategies of both organisations in a systematic way, in terms of an analytical framework, to explore different dimensions in terms of differences and similarities.

When conducting a case study, triangulation is one of the defining features. Triangulation refers to the collection of data through different methods and different kind of data and can be traced back to Campell and Fiske (1959), who argued that the main advantage of triangulation is, that it can provide a more complete, holistic and contextual portrait of what is being studied (Campbell, 1959). In relation to this thesis, this means, that People & Performance and Mercuri Urval will be studied from different angles and from both qualitative and quantitative data. In essence, triangulation is used to reduce misinterpretations, due to the organisations being studied from the use of multi-methods. Yet,

being critical to the use of triangulation, it can be a challenge if the results from different methods and sources are not consistent, and also, if the different methods come up with contradictory results. However, according to Silverman, we do not need to evaluate data as true or false report on reality, but we need to treat the data as displays of perspectives on reality (Silverman, 1993). Also, it is worth mentioning that all research methods have advantages and disadvantages all depending on the purpose of the research.

To sum up, the purpose of utilising a comparative case study in this thesis is to gain insight and understanding of People & Performance and Mercuri Urval and also, to have a real life context to the problem formulation. Hence, when comparing data on respectively People & Performance and Mercuri Urval, the differences and similarities appear, which will provide the thesis with knowledge of tendencies that can be applied to similar organisations.

3.4 Case organisations

In this part of the thesis a description of the case organisations, People & Performance and Mercuri Urval will be provided. As the problem formulation indicates, the two organisations used as cases for this thesis originate in the Scandinavian market. That is to say, People & Performance has its origin in Denmark and Mercuri Urval has its origin in Sweden. First, a table of the organisations' basic facts are presented to give a brief overview. Afterwards, a presentation of respectively People & Performance and Mercuri Urval will be provided. The data for Mercuri Urval will be based on their Danish department.

Table 1: Overview of case organisations

Data from 2017	**People & Performance**	**Mercuri Urval**
Year of foundation	2004	1974 (DK department)
Country of origin	Denmark	Sweden (est. 1967)
Number of employees	51	101
Present in other countries	No	23
Revenue 2017 in DKK	672.553 (after tax)	2.328.826 (after tax)

Source: (People & Performance A/S, 2017), (Mercuri Urval A/S, 2017), (Virk, n.d.)

3.4.1 People & Performance

People & Performance is a consultancy established in 2004. Until February 2019 its main services consisted of the following business areas: recruitment and outplacement, leadership development, strategy and business development, sales development and training, and business analysis (People & Performance A/S, 2017). In February 2019 the organisation went bankrupt and the business area 'leadership development' was bought by Compass Human Resources Group (Schüt, 2019). Hence, the new constellation of People & Performance does not entail the four other business areas of recruitment and outplacement, strategy and business development, sales development and training, and business analysis. It is of high importance to mention, that this thesis will focus on People & Performance's situation as it was in the final period up to the bankruptcy, which entailed all five business areas. People & Performance offered consulting services and entered long-term agreements with some of Denmark's largest companies, which included tasks both in Denmark and abroad (People & Performance A/S, 2017). People & Performance's main office was located in Horsens, however, it also entailed an office in Holte. According to the annual report from 2017, People & Performance had 51 employed on average in 2017 (People & Performance A/S, 2017). The reason why it is interesting to examine an organisation like People & Performance, which has gone through bankruptcy, is that it can provide an insight an understanding of an organisation that did not succeed. Hence, People & Performance is an example of a case, which can give further knowledge and be useful for similar organisations.

3.4.2 Mercuri Urval

Mercuri Urval is a recruitment consultancy established in Sweden in 1967, thus, it could celebrate 50 years in the recruitment business in 2017 (Human Resource Director, 2017). Mercuri Urval has grown from one office in Stockholm to having offices around the world, all of which provide global reach and insight on behalf of the organisation's clients in Europe, Asia-Pacific, the Americas and Africa (Human Resource Director, 2017). Their Danish department was established in 1974 and had 101 employed on average in 2017 (Mercuri Urval A/S, 2017). Mercuri Urval offers consultancy services within the fields of executive search, professional recruitment, and talent development (Mercuri Urval A/S, 2017). According to Mercuri Urval's annual report from 2017, the organisation consists of departments in 23 countries spread on five continents. The reason why it is interesting and relevant to compare People & Performance with Mercuri Urval is, that they operate within the same business area and they are both established within Scandinavia. Furthermore, Mercuri Urval has been in the recruitment market for more than 50 years and is present in several countries around the world, which indicates, that the organisation has gained a competitive advantage in the global market. Hence, it is interesting to compare an organisation, which went through bankruptcy, with a similar organisation that has been in the global market for five decades.

3.5 Data collection

In this part of the thesis the data collection will be outlined. First, an introduction of the general data used for the analysis will be presented, followed by the data specifically associated with respectively People & Performance and Mercuri Urval.

3.5.1 Contextual data

The contextual data includes data, which is not specifically connected with either People & Performance or Mercuri Urval, however, it entails data appropriate for both organisations. The contextual data used in this thesis includes a report made by LinkedIn Talent Solutions, which is concerned with recent recruitment trends. LinkedIn Talent Solutions is a part of LinkedIn, which provides data and tools for talent professionals to identify and engage with the highest potential (LinkedIn Talent Solutions, 2018). The report is called 'Global Recruiting

Trends 2018' and is a survey regarding recruitment trends and is based on nearly 8,815 recruiters and hiring managers from 39 countries (LinkedIn Talent Solutions, 2018). What the respondents have in common is that they are all members of LinkedIn.

The LinkedIn survey is concerned with internal HR and recruiting. Yet, as mentioned in section '2.1.5 Recruitment', this thesis is only focusing on external recruitment in terms of consultancies. However, by staying critical in relation to this survey I assess it being relevant as they provide a recent insight into the global trends within the recruiting business.

3.5.2 Data collection: People & Performance

The data used for analysing People & Performance is based on several types of material: 1) Press release in terms of an article by Horsens Folkeblad, a local Danish media. The press release contains statements from the CEO at People & Performance, Torben Nørby, which is worth having in mind when using it in the analysis, as it might provide a biased view on the bankruptcy. Also, an article by PSG, which is a global provider of outsourced recruiting support with clients across the globe, will be taken into account (PSG, n.d.) 2) Annual reports, which is utilised to gain an insight into some internal factors of People & Performance. 3) Social media profile in terms of Instagram, which is also used in the analysis to show some tendencies or insights into the internal situation of the organisation. Yet, it is important to have in mind that both the annual report and the social media profile are worked out by the management of People & Performance itself, and therefore, these data must be looked upon from a critical stance, as they are assumed to be biased by the management and the employees. Therefore, it might not directly mirror the reality. 4) Extract from virk.dk, which is a website offering access to all officially registered data on organisations including VAT-numbers, addresses, relations and accounts (Virk, n.d.). This will offer basic numbers and facts about People & Performance. 5) Finally, screenshots of the former People & Performance website will be included. The reason to this is, that the website does not exist in its original form, hence, the screenshots will represent the website of People & Performance as it used to exist prior to the bankruptcy in February 2019.

3.5.3 Data collection: Mercuri Urval

To ensure comparability among People & Performance and Mercuri Urval, very similar data has been collected. Hence, the data used for analysing Mercuri Urval is based on: 1) Article from Human Resource Director: A Milestone Worth Celebrating 2) Annual report. The Mercuri Urval annual report represents the Danish department in Holte, even though the head quarter is in Sweden, hence, the Danish annual report is an example of a department within Mercuri Urval, which can provide insight into the tendencies of the organisation. 3) Websites, both Mercuri Urval's own website, but also in terms of 'Glassdoor' which is a job and recruiting site, where current and former employees can review the organisation they have been or are working for (Glassdoor, n.d.). 4) Finally, an extract from virk.dk will be taken into account when analysing Mercuri Urval.

As mentioned in relation to the data collection of People & Performance, it is important to have in mind that the annual report, websites, and articles are influenced by the organisation's own perceptions and beliefs. However, to ensure reliability, external data from independent parties, such as virk.dk, are also taken into account.

As mentioned, the data regarding Mercuri Urval includes reviews on 'Glassdoor', a job and recruiting site, current and former employees can review the organisation they have been or are working for (Glassdoor, n.d.). The reviews by current and former employees will add a more nuanced view on the internal factors within Mercuri Urval in relation to what the organisation itself writes on its website. Due to this, a coding has been conducted, which means, that the reviews have been processes by looking for words or sentences, which says something about the internal factors of Mercuri Urval. I have chosen to include 71 out of 83 reviews, the last 12 reviews are written in languages other than English, and due to lack of resources and the risk of misleading translations they are not included. I am aware that the 71 reviews do not constitute a complete picture of reality of the internal situation of Mercuri Urval, however, the reviews show tendencies and provide and indication of the general attitude among current and former employees. Challenges worth mentioning in relation to using data like the reviews are, that it only provides a minor examples of attitudes, hence, it is not possible to state anything general on the basis hereof. Also, as it appears from the reviews in Appendix A, the reviews have been made over a time period of 9 years, the first one was written in 2010, however, the majority is written in 2018. Finally, it can be argued a challenge

that the persons reviewing Mercuri Urval are either very positive or very negative towards the organisation, which means, that only the extreme attitudes are taking into consideration. However, as mentioned, the reviews show tendencies and about Mercuri Urval's internal situation, hence, the reviews are considered relevant in regards to this thesis.

3.6 Data analysis

This part of the thesis will provide an explanation of how the data mentioned in the above section is analysed. The 'data analysis' section will entail an explanation of the chosen analytical framework.

The data elaborated on in section '3.5 Data collection' will be analysed on the basis of an analytical framework. This framework contains a comparative analysis of People & Performance and Mercuri Urval on the basis of a SWOT-analysis, a TOWS-matrix and Porter's Generic Strategies. These three elements constituting the analytical framework all provide different contributions to the thesis.

The purpose of the SWOT-analysis is to provide a situational snapshot of respectively People & Performance and Mercuri Urval. Here, it is important mentioning that People & Performance is analysed on the basis of data from the period right before the bankruptcy in February 2019. The data in relation to the SWOT-analysis is analysed in terms of the strengths, weaknesses, opportunities and threats of the two organisations. This will provide the thesis with an insight into the internal and external factors influencing the strategic situation of the organisations.

After analysing People & Performance and Mercuri Urval's strengths, weaknesses, opportunities and threats, a TOWS-matrix is conducted. The TOWS-matrix is a natural extension of the SWOT-analysis, as it intends to operationalise the results from the SWOT-analysis by identifying possible strategic initiatives. Knowledge from the literature review will provide theoretical stances into the SWOT and TOWS to gain a deeper understanding of the underlying factors.

Following the SWOT-analysis and the TOWS analysis, Porter's Generic Strategies will be applied as the final element of the analytical framework. The purpose of Porter's Generic Strategies is to identify and discuss, which position People & Performance and

Mercuri Urval have on the global market. Hence, this part of the analysis aims to discuss the strategic position on the basis of the literature review and the results of the previous conducted analysis.

In relation to the data of the reviews from 'Glassdoor' regarding Mercuri Urval, coding has been utilised. The process of the coding has included several read throughs to identify relevant internal factors in the reviews. These read throughs resulted in the following codings: 'negative towards the organisational culture', 'positive towards the organisational culture', and 'marketing and branding'. This coding has been chosen, as it represents the most common characteristics of the reviews in relation to the internal factors of Mercuri Urval. By taking use of coding the reviews, an overview of the general attitude towards Mercuri Urval's internal situation is provided. By coding on the basis of the reviews and not on the basis of a chosen theory, this process can be argued being inductive, due to the fact that I have defined the codings myself on the basis of the data. Therefore, the definitions of these codings are not based on a specific theoretical definition of organisational culture, however, the definitions of the codings lean against the literature regarding organisational culture mentioned in section '2.1.3 Organisational culture'. The code 'Marketing and branding' is chosen, as it was a repeating topic throughout the reviews, as 12 out of 71 voiced concerns towards this topic. Examples of the codings are provided in the below table:

Table 2: Coding of reviews from 'Glassdoor'

Code:	**Definition:**	**Example:**
Negative towards organisational culture	Mentioning the general work environment in a negative context.	Appendix A, page 7 "Rigid culture and approach to solutions"
Positive towards organisational culture	Mentioning the general work environment in a positive context.	Appendix A, page 9 "Freedom to work, creativity to deliver solutions, great and fun colleagues, and a meritocratic + collaborative culture!"
Lack of marketing and branding	Expressing attitudes regarding a lack of marketing and branding of Mercuri Urval.	Appendix A, page 4 "The brand would gain from being more visible"

3.7 Delimitations

In this part of the thesis the delimitations will be outlined. Here, a brief outline of the selection and rejections associated with the thesis is provided.

Porter's Five Forces theory appears to have advantages, however, in relation to the this specific thesis it can be argued that the theory fits better within another industry than recruitment, also, it can be argued that the theory fits better within an entire industry and not when analysing only two organisations. The theory entails a focus on external factors such as suppliers, which, in this context, would not be possible to gather information about. Due to this, the analysis will focus on the organisations' current internal and external situation, which will be assessed in terms of a SWOT-analysis and a TOWS-matrix to map out possible strategic options for recruitment consultancies on the global market. It is highly important to mention that People & Performance went through bankruptcy, which means that the current

situation, in its original understanding, will not be able to analyse. Due to this, the analysis will focus on the organisation's situation, as it was right before the bankruptcy.

Even though People & Performance consists of several business areas, the thesis will mainly focus on recruitment. This is to be able to find a comparable organisation and hence, be able to conduct a focused analysis and gain a more precise result. However, People & Performance former composition will have an influence on the analysis, as it will focus on the organisation's situation before the crisis. This is expressed throughout he SWOT-analysis, as the internal factors 'strengths' and 'weaknesses' are based on the entire organisation (all five business areas), because it touches upon organisational culture and economic situation, which are more general for the organisation. However, when analysing the external factors 'opportunities' and 'threats' the analysis will be narrowed down to the recruitment area. Otherwise, if focus is solely on the recruitment area in the internal factors, it will become misleading. And, the other way around, if analysing all five areas within the external factors as well, the analysis will become overwhelming and not relevant in relation to the problem formulation and the organisation being compared People & Performance to (Mercuri Urval). Being critical to this way of conducting the analysis is the risk of picking out the desired results, however, due to lack resources and to ensure relevance, this thesis will focus on recruitment and will include other business areas when relevant.

4. Analysis

In this section of the thesis the results of the analysis will be presented. Here, the problem formulation will be examined on the basis of the above literature review, analytical framework and methodological choices. The analysis will be framed as a comparative analysis of People & Performance and Mercuri Urval and will consist of a SWOT-analysis, TOWS-matrix and finally Porter's Generic Strategies will be applied. The purpose of this set up it to analyse and discuss the strategic approaches of People & Performance and Mercuri Urval based on the internal and external factors, in terms of the SWOT-analysis, and the possible strategic initiatives in terms of the TOWS-analysis. Finally, this will lead to Porter's Generic Strategies, which intends to analyse the strategic position of the organisations and discuss whether or not this is appropriate when seeking a competitive advantage. Throughout the

analysis, the existing literature relevant to the problem formulation introduced in the theory section will benefit the analysis by providing theoretical depth.

4.1 SWOT-analysis

In this part of the analysis a SWOT-analysis of People & Performance and Mercuri Urval will be conducted. First, People & Performance will be analysed on the basis of the element of the SWOT-model, which are strengths, weaknesses, opportunities and threats. This will be followed by an equal analysis of Mercuri Urval. Finally, a comparison of the two organisations will be provided. The purpose of this part of the analysis is to identify and understand the organisations' competitive and managerial situation on the basis of both internal and external factors.

4.1.1 People & Performance

The following four sub-sections will contain an analysis of People & Performance's internal and external factors, which respectively are expressed through strengths, weaknesses, opportunities and threats. The table below presents an overview of the results conducted from the SWOT-analysis of People & Performance.

Table 3: SWOT-analysis on People & Performance

Strengths	**Weaknesses**
- Cross-business customers - Organisational culture	- Weak economy - Separate offices
Opportunities	**Threats**
- IRC Global Executive Search Partners - Recruitment trends	- Slowdown in the market - Competition

4.1.1.1 Strengths

A mentioned in the section concerning the analytical framework of the thesis, 'strengths' is one of the internal factors, which can have an influence on the organisation. Hence, this means this 'strengths' is a factor, which the organisation itself can control (Buskbjerg, 2019).

A strength within People & Performance is that it had customers across of the business areas. This is most likely caused by several factors that play together, however, according to Johnson, Scholes and Whittington, strategic decisions are likely to be concerned with the scope of an organisation's activities and are normally about trying to gain advantage for the organisation (Johnson, 2005). Hence, having several regular customers could be interpreted as a strategic attempt on gaining an advantage. An example that People & Performance had customers across the their business areas is to be seen in Appendix B. Here it says that People & Performance cooperated with the company Spectronic Denmark A/S regarding recruitment as well as leadership training, and in connection with a major round of layoffs, People & Performance also supported them with an outplacement process to help the affected employees finding their next job. It can be interpreted, that People & Performance attempted to gain an advantage by enlisting customers through the different activities they can offer. In that way, by being able to offer services across the business areas seems, in this situation, as a beneficial factor within the strategy as it creates customers that stay with the organisation due to the broad service range. However, it can be discussed whether or not having several services is an advantage, as it might seem that People & Performance is just trying to please several client segments.

When it comes to internal strengths, which can be controlled by the organisation itself, it is also relevant to touch upon the organisational culture of the organisation. According to Edgar Schein, organisational culture is developed when the entire organisation has shared history and experiences (Schein, 1990). When having a look at People & Performance's social media profile on Instagram it is appears from the pictures and texts that the organisation seeks to create an organisational culture. This could for instance be interpreted on the basis of the picture in Appendix C, which shows the organisation at their annual 'kick-off' arrangement. From the text it appears that the arrangement is both concerned with socialising and also with internal strategy-work. This indicates that People & Performance as an organisation

seeks to involve all of the employees in the strategy planning and the future of the organisation. Hence, it could be interpreted that People & Performance intends to create a strong organisational culture, which by Schein means, that the organisation develops a culture on the basis of their shared experiences and history (Schein, 1990). Yet, what People & Performance, puts on their social media platform, is not a reflection of reality. However, the data collection of this thesis does not entail statements from the former employees at People & Performance, hence, only the available material is analysed. Yet, it is important to have in mind that the analysis is not the full truth. Another critique of analysing the organisational culture is on the basis of social media, that People & Performance decides what to put here. Due to this, it must be assumed that deeper layers of the organisational culture does exist, however, they are not observable from the outside.

To briefly sum up this section, the analysis shows that cross-business customers as well as the organisational culture are some of the strengths within People & Performance, based on the data.

4.1.1.2 Weaknesses

Equal to 'strengths' the factor of 'weaknesses' is an internal element and includes circumstances, which the organisation itself is able to control (Buskbjerg, 2019).

The bankruptcy of People & Performance testifies to an economic weakness, which the organisation was not able to overcome. In the press release in Horsens Folkeblad 'Local Horsens organisation bought up – 10 out of 20 employees continue'[3] it says that prior to the buy up, People & Performance filed for bankruptcy after a poor fourth quarter of 2018, which continued into the first quarter of 2019 (Schütt, 2019). Also, according to Torben Nørby, CEO at People & Performance, the bankruptcy was due to not harming the mortgagees: "In order to keep an many mortgagees as possible indemnified, we as a responsible organisation did not have any option other than filing for bankruptcy" (Schütt, 2019).[4] However, the numbers from the mentioned fourth quarter of 2018 and first quarter of 2019 is not available, hence it is not possible to investigate this further. Yet, according to People & Performance's annual report

[3] *'Lokalt Horsens-firma opkøbt – 10 ud af 20 medarbejdere fortsætter'* (Schütt, 2019)
[4] *"For at holde så mange kreditorer som muligt skadesløse, så vi som ansvarlig virksomhed ikke nogen anden mulighed end at indgive en begæring om konkurs"* (Schütt, 2019)

from 2017 it appears that the result for the year before tax shows a profit of DKK 916,171 against the result of year 2016's result of DKK 1,041,504. According to the annual report, the result of the financial year 2017 was satisfactory despite of a slight decline (People & Performance A/S, 2017). Although a profit is apparent, the report does not indicate which of the business areas within People & Performance are the reasons for the profit. However, in relation to the press release in Horsens Folkeblad, it could be interpreted that the business area of leadership development did constitute a significant role for the organisation as it is referred to as a being specialist within the area of leadership development and also, none of the other business areas within People & Performance are mentioned in the press release (Schütt, 2019). Hence, it could indicate that the other business areas within People & Performance, recruitment and outplacement, strategy and business development, sales development and training, and business analysis, have not been performing as successfully as the leadership development area and due to this it will perform individually in the future. However, it is worth mentioning that the annual report is elaborated by the management of People & Performance, as well as the press release only constitutes the CEO's, Torben Nørby, point of view. Therefore, it is important to have in mind, that this sort of data might not reflect reality accurately.

As mentioned in the 'case organisations' part in the section regarding methodology, People & Performance, as it used to exist, had two separate offices in Denmark; one in Horsens and one in Holte. Having Schein's theory regarding organisational culture in mind this set-up could be a challenge when seeking a common organisational culture. As mentioned previously, Edgar Schein states organisational culture is developed when the entire organisation has shared history and experiences (Schein, 1990), and perhaps creating a common history and shared experiences is difficult to obtain when the employees are not physically together. It can be discussed that the separation of the organisation and having two offices is a strategic decision, however, according to Kotter, the beliefs and practices in a strategy may, or may not, be compatible with the organisation's culture (Kotter, 1992). On the contrary, it can be argued that this organisational setup might create subcultures, which are not providing People & performance with an advantage, as when these beliefs and practices are not compatible with the culture, it can be a challenge to implement the strategy successfully. Having both Schein and Kotter in mind, it can be argued that creating shared history and experiences is a

challenge when, at the same time, People & Performance consists of subcultures in terms of separate offices. Yet, it can be argued that organisational culture is what an organisational set-up like People & Performance need and should invest in gaining. In that way, a weakness within People & Performance is, due to its set-up with separate offices, that it meets challenges in creating an organisational culture and in that way might not gain an advantage for the organisation.

To sum up this part of the SWOT-analysis, it appears that the economy and having separate offices are some of the weaknesses within People & Performance.

4.1.1.3 Opportunities

As People & Performance existed before the bankruptcy, it had some global opportunities to take use of. Becoming a part of the global network 'IRC Global Executive Search Partners' is one of these opportunities they actually did get a part of, however, I still assess it as an opportunity for People & performance, as it was a very newly started initiative. It is important to mention, that the website of People & Performance does not state when this initiative started, hence, it is information I am in possession of due to my knowledge from my internship at the organisation.

'IRC Global Executive Search Partners' is a global professional alliance of executive search organisations established in 1993. The purpose of the network is to harmonise recruitment processes internationally in order to provide unsurpassed quality management in search and selection activities. The network entails more than 80 local offices spread across 45 countries (IRC Global Executive Search Partners, n.d.).

As previously mentioned, according to Bartlett and Ghoshal the thought of 'think global, act local' leads organisations to becoming more globally competitive and, simultaneously, more sensitive and responsive to national conditions (Bartlett, 1998). According to Appendix D, it can be argued that People & Performance is aware that a membership of the global network would be highly beneficial: "Though our membership of the IRC Global Executive Search Partners (IRC) network, we help our Danish clients with their international recruitment needs as well as helping companies and organisations with recruitment needs in Denmark." (Appendix D). Having this in mind, being a member of 'IRC Global Executive Search Partners', it is indicated that People & Performance could have

benefitted from having partners all over the world. Another statement from Appendix D is: "Members of the IRC Global Executive Search Partners Network have an in-depth and professional knowledge of local markets, insights into trends, and are in close contact with relevant candidate groups." (Appendix D). This indicates that People & Performance was interested in creating knowledge-sharing and sharing competencies with the global partners to gain the best results for respectively the Danish and the global clients. Yet, according to theory, it could also indicate that a membership at the 'IRC Global Executive Search Partners' is a strategic decision to gain a competitive advantage. As mentioned in the theory section, Barney argues that the achievement of competitive advantage by an organisation is sustained by the organisation being able to neutralise threats from rival organisations in the market (Barney, 2002). In that way, it could be argued, that People & Performance intends to neutralise competition threats by entering a partnership with 'the global rivals' in terms of similar recruiting organisations worldwide. Hence, to sum up People & Performance being a member of 'IRC Global Executive Search Partners', perhaps the organisation realised this opportunity too late and in that way missed out on a possible opportunity of gaining a competitive advantage.

Another opportunity People & Performance, as it used to exist, could have taken advantage of in relation to the recruitment business area is taking use of data for talent acquisition. As People & Performance used to exist, one of the five business areas was 'business analysis'. According to LinkedIn's survey regarding global recruiting trend in 2018, utilising data to answer all sorts of talent questions is an opportunity to make smarter recruiting decisions (LinkedIn Talent Solutions, 2018). To follow this trend it would entail the recruiters receiving support from analysts, who would be able to implement this data based way of recruiting. Hence, as Dawn Klinghoffer, General Manager of HR Business Insights at Microsoft, indicates, this trend will impact they way HR professionals work: "We are going to see the biggest change in the HR profession overall, as analytics start to reinvent the way we work. We are now starting to look for HR professionals that have the capability to understand, interpret, and leverage data — and this is a trend that I believe will continue for a while." (LinkedIn Talent Solutions, 2018, pp. 35). Thus, People & Performance did already have business analysts employed who, probably, could have initiated this trend within the organisation. According to Johnson, Scholes & Whittington, strategy can be seen as creating opportunities

by building on an organisation's resources and competencies, hence, strategic decisions are likely to be concerned with the scope of an organisation's activities and are normally about trying to gain advantage for the organisation (Johnson, 2005, pp. 6-7). Hence, it can be argued that People & Performance did possess the resources and competencies to follow the trend introduced by the LinkedIn 'Global Recruiting Trends' survey, which makes the trend regarding using data within talent acquisition a relevant opportunity.

Summing up the findings of the opportunities of People & Performance, it appears that the IRC Global Executive Search Partners network, as well as general recruitment trends are some of the possibilities for the organisation.

4.1.1.4 Threats

It must be assumed, that People & Performance did face some threats, which they did not react to, based on the fact that they went bankrupt in February this year. Accordingly, in relation to the bankruptcy, the CEO of People & Performance, Torben Nørby, mentioned in a press release to Horsens Folkeblad that: "We experienced a slowdown in the market that made us enter a liquidity crisis." (Schütt, 2019)[5]. This statement regarding a slowdown is supported by PSG, a global provider of outsourced recruiting support with clients across the globe (PSG, n.d.). According to PSG, unemployment it record low and, simultaneously, 45% of employers worldwide are struggling to fill skilled positions, which means, that recruiters face an increased competition when it comes to recruiting top talent (PSG, 2019). Hence, this indicates that one of the threats People & Performance was confronted with before the bankruptcy, was the increasing competition within the recruitment industry. As mentioned in the theory section, according to Mintzberg, strategy appears over time as intentions collide with and accommodate a changing reality. Therefore, one might start with a perspective and conclude that it demands a certain position, which is to be achieved by carrying out a carefully constructed plan (Mintzberg, 1994). Having this in mind, it can be argued that the liquidity crisis, mentioned by Torben Nørby, is a sign that People & Performance did not manage to accommodate the strategic intentions with the changing reality of the recruitment industry in terms of carrying out a carefully constructed plan as the theory by Mintzberg suggests.

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[5] *"Vi oplevede en opbremsning i markedet, der gjorde, at vi kom i en likviditetskrise"* (Schütt, 2019)

Another threat, which can be argued having confronted People & Performance, is also in relation to competitors. People & Performance was a consultancy consisting of five different business areas: recruitment and outplacement, leadership development, strategy and business development, sales development and training, and business analysis (People & Performance A/S, 2017), however, researching other recruitment consultancies it appears that several of People & Performance's competitors within the recruitment area solely focus on recruitment. Having five different business areas, it must be assumed that People & Performance have been appealing to different clients, which can be interpreted both as an advantage and a disadvantage. As mentioned previously in the SWOT-analysis of People & Performance, this way of offering services across of the business areas might be seen as an advantage due to the potential of keeping the customers within the business. However, on the other hand it might also be a disadvantage as it can be argued that People & Performance is trying to 'please everyone', which by Porter will not create a sustainable competitive advantage (Porter, 1985). Hence, it can be argued that when being a smaller organisation it is a threat having several business areas because the organisation might not have the resources to become specialised compared to the competitors.

To briefly sum up this part of the SWOT-analysis, the threats of People & Performance are for instance a slowdown in the market, as well as the competition within the recruitment industry.

4.1.2 Mercuri Urval

The following four sub-sections will contain an analysis of Mercuri Urval's internal and external factors, which are expressed through strengths, weaknesses, opportunities and threats. The table below presents an overview of the results conducted from the SWOT-analysis of Mercuri Urval.

Table 4: SWOT-analysis on Mercuri Urval

Strengths	**Weaknesses**
- Global strategy - Organisational culture	- Lack of marketing and branding - Weak economy
Opportunities	**Threats**
- Recruitment trend - Collaborate with local recruitment consultancies	- Competition in the recruitment industry - Global political and economic situation

4.1.2.1 Strengths

One of the strengths within Mercuri Urval can be argued to be their strategic take on providing local expertise on the global market. In the following quote from Mercuri Urval's website it is stated that the structure and processes enables the possibility to combine global reach with local expertise:

"We work as one company - all over the world - this enables us to operate in a lean and agile way. Our Central Management guide our Team Leaders, who in turn manage the company. Due to our structure, processes and our International Business Office, we are able to seamlessly combine global reach with local expertise. Wherever our clients need us, we are there."
(Mercuri Urval, n.d.)

As mentioned in the theory part, Bartlett and Ghoshal raised the issue of whether to standardise worldwide or to adapt to the environment of each country, which can be considered an important strategic consideration, due to the fact that competition is globalising (Bartlett, 1998). It can be argued that Mercuri Urval lives up to this way of thinking, as the organisation can provide local service adapted to each country as they claim, "Wherever our clients need us, we are there" (Mercuri Urval, n.d.), which is in line with Bartlett and Ghoshal's 'think global, act local' theory. However, even though Mercuri Urval is able to adapt to the local environment, due to several locations, it appears that the strategy is

still aligned throughout the organisation, according to the following quote, which is one of the points under 'Our Values and Code of Conduct' from the website: "Employment Practices: Mercuri Urval´s employees work according to our values and working practices, described in our Company Employee Policy. We work as one aligned global team" (Mercuri Urval , n.d.). It can be discussed whether or not it is possible for an organisation like Mercuri Urval, which has offices in 23 countries, to work as one aligned global team. At least, it can be argued that organisational culture is a crucial factor for the employment practices, mentioned in the above quote, to perform the strategy successfully.

This leads to Kotter, who states culture within a business context is not the same as the organisation's strategy or structure. Strategy is simply a way for how to gain movement in a specific direction (Kotter, 1992). However, according to Kotter, the beliefs and practices in a strategy may, or may not, be compatible with the organisation's culture. This leads to another strength within Mercuri Urval, which is the organisational culture.

On 'Glassdoor', a job and recruiting site, current and former employees can review the organisation they have been or are working for (Glassdoor, n.d.). Searching for reviews of Mercuri Urval, 83 reviews are made by current and former employees from several countries. As mentioned in the methodology section, 12 of these will not be taken into account, as they are not written in English. Analysing the 71 reviews on Glassdoor it appears, that 35 out of 71 reviews mentions the organisational culture of Mercuri Urval as something positive, whereas only 6 reviews refers to the organisational culture in a negative way. The remaining 31 reviews do not mention organisational culture or is vague about it (Appendix A). When viewing the comments in terms of reviews on Glassdoor, the reviews indicate that the majority of the current or former employees express a positive position on the organisational culture in Mercuri Urval. However, it is worth mentioning that the persons reviewing Mercuri Urval represent different offices or countries, as it appear fro the appendix (Appendix A), hence the reviews give an indication of how the employees perceive the organisational culture on a global basis and not only in one office or country.

The fact that 31 persons, or nearly half of the reviews, did not mention organisational culture within Mercuri Urval as either pros or cons could indicate several things. It might indicate that the employees do not worry too much about the organisational culture as most of them work independently, according to the reviews, and in that way other

things might be more important to them, as for instance being able to grow as an individual. Another way to interpret the 31 previews not mentioning organisational culture is, that the employees are not aware of the organisational culture because they are well integrated in the organisation, hence, they do not notice what lies within the organisational culture. According to Edgar Schein, some organisations might not even have a specific culture, because the people in the organisation have not been able to establish a common culture. The other way around, organisations, which share a history and experiences, might be interpreted as having a strong organisational culture. In that way, the content and the strength of a culture in an organisation is individual depending on the common history of the organisation (Schein, 1990). This might be an explanation on why nearly half of the employees reviewing Mercuri Urval have a positive view on the organisational culture.

The reviews also show that 49 out of 71 persons would recommend Mercuri Urval as a workplace. 15 persons would not recommend it and the remaining 8 persons have not indicated whether or not they would recommend Mercuri Urval as a workplace (Appendix A). These numbers show that more than half of the current or former employees would recommend Mercuri Urval as a workplace. Though, the reviews do not indicate the reasons why the employees would or would not recommend the organisation, and it must be assumed, that there are several reason that come into play and not just the organisational culture. However, as 35 out of 71 reviews showed positive reactions towards the organisational culture, this could be interpreted as a reason why the employees would recommend Mercuri Urval as a workplace. Yet, according to the reviews, some of the comments that are positive towards Mercuri Urval as a workplace are employees with high positions in the organisation, as for instance Directors from different departments (Appendix A). This could be interpreted as them having an overview of the organisation and must be assumed to be interested in creating an organisational culture because, according to Kotter, when the beliefs and practices of an organisation are not compatible with the culture, it can be difficult to implement the strategy successfully (Kotter, 1992). However, this interest might also be misleading, as these employees possessing a high position within Mercuri Urval must be assumed to have a share in the organisation and therefore also might want it to have positive reviews and create a positive atmosphere around it.

According to the findings of this part of the SWOT-analysis, the global strategy as well as the organisational culture within Mercuri Urval appears, according to the data available, to be strengths.

4.1.2.2 Weaknesses

A weakness of Mercuri Urval can be argued to be the visibility on the global market. According to their website, Mercuri Urval focus on the global reach and ensuring a smooth collaboration cross boarder: "Mercuri Urval's global reach is built on decades of experience, an ownership and organisation designed for international collaboration, harmonised processes and quality standards. Our International Business Office ensures a smooth collaboration with us cross boarder." (Mercuri Urval, n.d.). However, analysing the reviews from current and former employees on 'Glasdoor', it appears that 12 out of 71 reviews entail comments regarding a lack of marketing and branding especially outside of Europe and also, that this cross border collaboration could be improved (Appendix A). This indicates that a certain amount of employees find this being an issue. The following quotes are examples on this: "Cons: The company is not very good at marketing and external communication." (Appendix A, pp. 26). "World's 7th largest executive search firm could be louder about itself." (Appendix A, pp. 32). "Needs to have more focus on enabling solutions for Asian market." (Appendix A, pp. 43). "(…) no experience in Asia. The management in Europe have no strategy in Asia." (Appendix A, pp. 66). When analysing the reviews, a tendency appears that the employees notice the organisation not being visible enough, hence, the marketing in terms of being visible on the global market is lacking. Also, according to the reviews on 'Glassdoor', the current and former employees request more guidelines in relation to markets outside of Europe and especially in Asia. This leads to Douglas and Wind, who states:

> *"The adoption of a strategy of universal standardization appears naïve and over simplistic (...) such an approach as a universal strategy in relation to all markets may not be desirable, and may lead to major strategic blunders (...) The design of an effective global marketing strategy does not necessarily entail the marketing of standardized products and global brands worldwide."* (Douglas, 1987, s. p. 19-20)

Based on this, Douglas and Wind state the next big evolutionary step of "going global" now has to be "going local", in response to the growing demand for greater flexibility, responsiveness and local sensitivity (Douglas, 1987). Hence, the employees demanding more focus on the Asian market might have a point when having Douglas and Wind's theory in mind, as Mercuri Urval in that way would be able to create solutions and services tailored for the specific market. However, it could be questioned if it really is necessary to spend recourses on tailoring solutions for every market, when Mercuri Urval as a recruitment consultancy is not selling a physical product. In relation to this, one of the reviews on 'Glassdoor' included a comment, which stated: "Cross border business can be more streamlined." (Appendix A, pp. 6). Hence, in contrary to offering tailored solutions, perhaps in the situation of Mercuri Urval, a more standardised service would be beneficial. The point here is, that the theory by Douglas and Wind can be discussed depending on which industry is involved.

When analysing Mercuri Urval's annual report from 2017, it appears that the organisation have had a financial decrease in relation to year 2016. According to the annual report 2017 the result from 2017 was DKK 2.328.826 against 2016's DKK 6.304.692 (Mercuri Urval A/S, 2017). A quote from the annual report states: "This year's result in Mercuri Urval A/S was a profit of DKK 2.3 million. The result in Mercuri Urval A/S for 2017 is less satisfactory"[6] (Mercuri Urval A/S, 2017). So, even though the organisation presents a profit of DKK 2.3 million, the result is, according to the management, not satisfactory. This must be assumed to be due to the increase from the result of year 2016, which presented a profit of DKK 6.3 million. It is not possible to state from Mercuri Urval's annual report what exactly causes this decrease. However, some numbers within the report can give an indication of what this decrease causes. For instance, according to the annual report, Mercuri Urval had 113 employees in the Danish department and 101 employees in 2017. Hence, this could be one of the reasons why the financial result of 2017 showed a decrease of profit, as the organisation had 12 employees less to influence the revenue (Mercuri Urval A/S, 2017). Yet, it is important to notice that the annual report is elaborated by the management of Mercuri Urval, which

[6] *"Årets resultat i Mercuri Urval A/S blev et overskud på 2,3 mio. DKK. Resultatet i Mercuri Urval A/S for 2017 er mindre tilfredsstillende."* (Mercuri Urval A/S, 2017)

might not give an exact picture of reality, as it is assumable that they are interested in providing a positive impression of the organisation.

Another factor that can influence Mercuri Urval's result is the fact that unemployment it record low and, simultaneously, employers worldwide are struggling to fill skilled positions. This means, that recruiters face an increased competition when it comes to recruiting top talent, according to PSG (PSG, 2019). As mentioned in the SWOT-analysis of People & Performance, they also did struggle with the competition in the recruitment market. Though, it might be assumed, that a difference between People & Performance and Mercuri Urval is the size of the organisations. Hence, the competition in the recruitment market does not have the same consequences for Mercuri Urval as it did for People & Performance.

To sum up the findings, the lack of marketing and branding, as well as a weak economy can be argued as internal weaknesses of Mercuri Urval.

4.1.2.3 Opportunities

An opportunity, which Mercuri Urval could take advantage of is focusing on diversity. According to the survey 'Global Recruiting Trends 2018' by LinkedIn, diversity is a trend that has evolved during the years (LinkedIn Talent Solutions, 2018). Diversity became popular in the 1980s, followed by diversity and inclusion, as the movement matured, and today the trend has expanded to diversity, inclusion and belonging (LinkedIn Talent Solutions, 2018). According to the article 'A Milestone Worth Celebrating' written by the media Human Resources Director, Roger Hagafors, chairman of the Mercuri Urval Group board, states the following:

> *"Indeed, this desire to serve clients in the most effective ways is core to the business. The company's motto is 'It's all about people' – specifically it's a focus on clients selecting and then developing the right individuals for the specific tasks in their organisation."*
>
> (Human Resource Director, 2017)

Hence, this quote indicates that Mercuri Urval is already aware that diversity and inclusion is important factors to focus on when working with clients globally, in terms of selecting the right candidates and develop them to fit the specific job and organisation. Now, the

opportunity for Mercuri Urval consists of them being able to include the third focus mentioned by the LinkedIn survey 'Global Recruiting Trends 2018', which is 'belonging'.

"Our data shows that the main reason why is that recruiters and hiring managers can't find enough diverse candidates." (LinkedIn Talent Solutions, 2018, pp. 9). According to the LinkedIn survey, 38% of the asked organisations state that the biggest barrier is to find diverse candidates to interview (LinkedIn Talent Solutions, 2018, pp. 9). This is where Mercuri Urval comes into play, as they have offices all over the globe and in that way is able to support the organisations finding diverse candidates.

"The next-biggest challenge is retaining those diverse hires once they're there. This is more of a culture issue as employees who don't feel included and accepted won't last. Relative to finding and retaining them, moving diverse candidates through the interview process is easier." (LinkedIn Talent Solutions, 2018, pp. 9). According to the LinkedIn survey, 27% of the asked organisations state that the biggest barrier is to retain diverse employees. This is where the third focus 'belonging' comes into play and where Mercuri Urval might want to put in some extra effort. This is due to the organisation already focusing on diversity and inclusion, so the next natural step would, according to the survey by LinkedIn, be to put focus on the belonging of the employees. Hence, focusing on inclusion and belonging could be an extension of DeCenzo's theory stating that an effective recruiting process entails being able to provide a significant pool of diverse candidates (DeCenzo, 2010). To sum up, one of the specific challenges is to follow the trends appearing in the recruitment industry, which for instance could be to focus on the clients' need for hiring diverse employees and not only integrate them into the organisation but also make the employees feel that they belong to the organisation.

A more general opportunity for Mercuri Urval is to collaborate with smaller recruitment consultancies, or even buying up the competitors on the market. Barney argues that the achievement of competitive advantage by an organisation is sustained by the organisation being able to neutralise threats from rival organisations in the market (Barney, 2002). To Mercuri Urval, neutralising threats could be achieved by either creating collaboration with other recruitment consultancies on the global market or it could be achieved by buying up smaller organisations constituting a threat towards Mercuri Urval. An example on a smaller

recruitment consultancy, which could be interesting for Mercuri Urval, could for instance be People & Performance. This might benefit both of the organisations, as Mercuri Urval would neutralise a potential threat and at the same time gain a bigger market share, mostly in Denmark, in terms of People & Performance's clients. For People & Performance it would be a benefit collaborating with Mercuri Urval in terms of them being a part of a globally established brand with five decades of experience.

According to the below quote by Roger Hagafors, chairman of the Mercuri Urval Group board, the local presence in the global market demands the team leaders and the consultant being extremely knowledgeable about local conditions. This underlines the relevance of the opportunity of Mercuri Urval being open to collaboration with local recruitment consultancies, as it is an opportunity to gain knowledge about the specific markets:

"Our local team leaders and consultants are the ones dealing directly with our clients in these overseas markets, so we need them to be extremely knowledgeable about local conditions, but also be aware of what's happening in terms of global trends."
(Human Resource Director, 2017)

According to Douglas and Wind, the view on globalisation, which emphasises a local approach, is pegged on the presence of local variations in taste (Douglas, 1987). This local approach in terms of collaborating with other local recruitment consultancies is an opportunity for Mercuri Urval due to them having access to a the local markets. Hence, this would provide them with beneficial knowledge, which, according to the abovementioned quote, is an important factor for Mercuri Urval when it comes to the global presence.

Summing up this part of the analysis, general recruitment trends as well as collaborating with local recruitment consultancies appear as opportunities for Mercuri Urval.

4.1.2.4 Threats

One of the threats, which can be identified in relation to Mercuri Urval is the competition in the recruitment industry. Other similar organisations might have different approaches to the market, which constitute a threat to Mercuri Urval. Examples on these might be cheaper

solutions or other recruitment methods and, due to this, Mercuri Urval needs to constantly be aware of the evolvement and tendencies. In relation to this, the below quote illustrates Roger Hagafors, chairman of the Mercuri Urval Group board stance to this:

"Clients themselves have increased the focus on having the right people in their organisations. (…) I'd also say that the people working in our client organisations have developed their skills and their professionalism significantly over the years. Today's HR leaders are well educated, very professional and very experienced. (…) We've seen that our clients have increased their expertise and insight in matters related to that and thus require top quality from suppliers of such services. (…) We have continuously developed our service offerings, methods and tools to match the increasing needs of our clients." (Human Resource Director, 2017)

It can be argued that HR departments within Mercuri Urval's client organisations constitute a competition. This is a threat to Mercuri Urval because the organisation now is not only competing with similar recruitment consultancies, but also their own clients who constantly gain new knowledge and competencies in term of internal HR departments. Therefore, there is a risk that the consultancies, like Mercuri Urval, no longer will be in such a high demand. Thus, it is a threat Mercuri Urval is obliged to react to in terms of being at the forefront of the development. If they success in keeping up with the development the competition, in terms of internal HR departments, might evolve into an opportunity to become even better as a recruitment consultancy and keep track with new tendencies within the recruitment industry. I am aware that it might not be that simple as put in the above, nonetheless, it is a threat to keep in mind.

Another issue that can be a threat to Mercuri Urval is economic factors. It must be assumed that being present in 23 countries, local economic factors play a significant role for Mercuri Urval. Factors such as recessions and legislation in the countries are all external factors, which Mercuri Urval is not able to control or influence. This entails, that even though Mercuri Urval has a globally known brand, external uncontrollable factors have an influence on how successful the organisation is. Therefore, it must be assumed, that to prepare for an eventual recession it is essential to have a robust economy or being able to anticipate the tendencies in relation to the demands on the market. In that way, both economic an political factors, such as legislation in the countries, all have an influence on Mercuri Urval as a global

organisation, which can not be controlled. Hence, being a large global organisation is not always an advantage, as more restrictions and reservations are needed to be taken into account when being present in these countries. However, even though this can be argued as being a threat to Mercuri Urval, it appears on their website, that they are prepared for such a threat: "Our International Business Office ensures a smooth collaboration with us cross boarder." (Mercuri Urval, n.d.). Nevertheless, Mercuri Urval being prepared in terms of having an International Business Office, the challenge consists in being up-to-date with all of the local conditions in the 23 countries.

To sum up the fourth element within the SWOT-analysis, the competition in the recruitment industry, as well as the global political and economic situation can be argued being threats to Mercuri Urval.

4.1.3 Comparison of People & Performance and Mercuri Urval

As mentioned in the introduction the section 4.1, the purpose of the SWOT-analysis was to identify and understand the organisations' competitive and management situation on the basis of both internal and external factors. Nevertheless, it must be noted that several other strengths, weaknesses, opportunities, and threats, than this analysis shed light on, are connected with People & Performance and Mercuri Urval, however, only a few are mentioned in the analysis. This is due to create congruence between the theory, data, and problem formulation of the thesis.

With that said, to briefly sum up the above SWOT-analysis, the available data analysed shows, that People & Performance and Mercuri Urval share similarities, yet they are also very different according to table 3 and 4. The results of the SWOT-analysis indicates, that the organisations have been in the recruitment industry under more or less the same circumstances, hence, it must be assumed, that there are several way of approaching a strategy on the global market. Yet, having in mind that People & Performance went bankrupt in February 2019, and therefore do no longer exist, it must be assumed that the organisation failed to gain a competitive advantage. However, the reason why People & Performance did not succeed on the global market and Mercuri Urval is still on the global market, will be further examined within the following analyses.

4.2 TOWS-matrix

In this part of the analysis the results of the TOWS-matrix will be presented. The matrix is conducted on the basis of the findings from the SWOT-analysis in the previous section. First, the TOWS-matrix is conducted on the basis of the results from People & Performance's SWOT-analysis and afterwards a TOWS-matrix on the basis of the results from Mercuri Urval's SWOT-analysis is presented. Finally, a comparison of the organisation will be provided. The purpose of the TOWS-matrix is to operationalise the results from the SWOT-analysis and identify the strategic development possibilities of the organisations.

4.2.1 People & Performance

The following sub-section will contain an analysis of People & Performance's possible strategic initiatives based on the SWOT-analysis. Again, it is worth mentioning that People & Performance is analysed on the basis of how it used to exist before the bankruptcy. The table below presents an overview of the results of the TOWS-analysis of People & Performance.

Table 5: TOWS-matrix on People & Performance

		Internal conditions	
		Strengths (S) 1. Cross-business customers 2. Organisational culture	Weaknesses (W) 1. Weak economy 2. Separate offices
External conditions	Opportunities (O) 1. IRC Global Executive Search Network 2. Recruitment trends	*(SO) Strategic initiative* 1. Exploit access to new markets	*(WO) Strategic initiative* 1. Exploit global network 2. Exploit new knowledge gained from trends
	Threats (T) 1. Slowdown in the market 2. Competition	*(ST) Strategic initiative* 1. Exploit collaboration between the business areas 2. Organisational culture as competitive advantage	*(WT) Strategic initiative* 1. Avoid competition

(Systime A/S, n.d.)

4.2.1.1 (SO) Strategic initiative

The SO strategic initiatives are derived on the basis of the internal factor 'strengths' and the external factor 'opportunities' from the SWOT-analysis. One of the strategic initiatives, which

People & Performance could take use of, is to exploit the fact that they have access to new markets and countries due to their membership of the 'IRC Global Executive Search Network'. As mentioned in the SWOT-analysis, People & Performance already became a member of the global network just before the bankruptcy, and due to this, it is difficult to assess how beneficial the membership was for the organisation. Yet, to make use of the strength 'cross-business customers' and the several business areas, and opportunity 'IRC Global Executive Search Network' an initiative would be to investigate the markets in which the global partners are located in terms of enlisting new clients.

4.2.1.2 (WO) Strategic initiative

The WO strategic initiatives are derived on the basis of the internal factor 'weaknesses' and the external factor 'opportunities' from the SWOT-analysis. An initiatives worth taking into account is to not only exploit the global network (IRC), but also the new knowledge, which can be gained through recent recruitment trends. In this way, economic weaknesses can be minimised as well as an opportunity is being utilised. So, a WO strategic initiative for People & Performance is to combine weaknesses and opportunities and gain new knowledge, which they can use with new clients.

4.2.1.3 (ST) Strategic initiative

The ST strategic initiatives are derived on the basis of the internal factor 'strengths' and the external factor 'threats' from the SWOT-analysis. One of the strategic initiatives, which People & Performance could take use of, when mixing strengths and threats from the SWOT-analysis, is to take advantage of the several business areas of the organisation and minimise the threat of a slowdown in the recruitment market by collaborating across business areas. Another initiative could be to exploit the organisational culture within the organisation, which as mentioned in the SWOT-analysis can be argued to be strong. Having in mind that People & Performance is a small and new organisation in relation to Mercuri Urval, it could be an advantage to make use of what works, hence, by sustaining a strong organisational culture might be an advantage when competing with large organisations.

4.2.1.4 (WT) Strategic initiative

The WT strategic initiatives are derived on the basis of the internal factor 'weaknesses' and

the external factor 'threats' from the SWOT-analysis. An initiative within weaknesses and threats could be to avoid competition. This might be easier said than done, however, having a decreasing economy and at the same time experiencing competition could turn out being a negative combination. Hence, by 'avoid competition' is meant, to differentiate the services from the competitors on the market. This could be done in several ways, however, by Porter it means either cost leadership, product differentiation and focus (Porter, 1985). The aim of the cost leadership and differentiation strategies is to seek a competitive advantage in a broad range, while the aim of the focus strategies (cost focus and differentiation focus) seek a competitive advantage within a narrow segment and will most likely create a niche (Porter, 1985).

4.2.2 Mercuri Urval

The following sub-section will contain an analysis of Mercuri Urval's possible strategic initiatives based on the SWOT-analysis. The table below presents an overview of the results of the TOWS-analysis of Mercuri Urval.

Table 6: TOWS-matrix on Mercuri Urval

		Internal conditions	
		Strengths (S) 1. Global strategy 2. Organisational culture	Weaknesses (W) 1. Lack of marketing and branding 2. Weak economy
External conditions	Opportunities (O) 1. Recruitment trends 2. Collaborate with local recruitment consultancies	*(SO) Strategic initiative* 1. Exploit the global strategy by looking into collaboration possibilities. 2. Exploit having a good organisational culture to be more attractive to other organisations.	*(WO) Strategic initiative* 1. Exploit the need to increase the branding by collaboration. 2. Exploit the knowledge of recruitment trends and collaborations to gain better economy.
	Threats (T) 1. Competition in the recruitment industry 2. Global political and economic situation	*(ST) Strategic initiative* 1. Exploit global strategy 2. Exploit knowledge about countries	*(WT) Strategic initiative* 1. Focus on marketing and branding

5. (Systime A/S, n.d.)

4.2.2.1 (SO) Strategic initiative

The SO strategic initiatives are derived on the basis of the internal factor 'strengths' and the external factor 'opportunities' from the SWOT-analysis. A strategic initiative based on this could be to exploit the global strategy by looking into collaboration possibilities. As mentioned in the SWOT-analysis of Mercuri Urval, the global strategy appears being strength

as well as collaborating with other local recruitment consultancies is an opportunity. Hence, to operationalize this, an initiative hereof is to investigate the possibilities of an eventual collaboration. Also, in continuation of this, another initiative could be to exploit having a good organisational culture to be more attractive to other organisations, as it must be assumed that it is more attractive to collaborate with Mercuri Urval, if the internal factors are attractive to an eventual business partner.

4.2.2.2 (WO) Strategic initiative

The WO strategic initiatives are derived on the basis of the internal factor 'weaknesses' and the external factor 'opportunities' from the SWOT-analysis. A strategic initiative based on weaknesses and opportunities could be to exploit the need to increase the branding by collaboration. According to the results of the SWOT-analysis, a weakness is a lack of marketing and branding and an opportunity is to collaborate with others in the local markets. Hence, being able to increase the marketing and especially branding of Mercuri Urval would be to gain more knowledge of the local markets in terms of collaboration and in this way increase the visibility globally. This initiative also leads to another initiative, which is to exploit the knowledge of recruitment trends and collaborations to gain a better economy. Hence, taken advantage of being aware of trends as well as collaborating locally, is an opportunity to gain a better economy.

4.2.2.3 (ST) Strategic initiative

The ST strategic initiatives are derived on the basis of the internal factor 'strengths' and the external factor 'threats' from the SWOT-analysis. An initiative combining strengths and threats in regards to Mercuri Urval is to exploit the global strategy and at the same time exploit the knowledge about the 23 countries they are present in. Being able to do so, the threats concerning competition in the recruitment industry and the uncertainty of the global political ad economical situation might be avoided, as Mercuri Urval must be assumed being well prepared. Hence, knowledge about the 23 countries cannot be underestimated, as this can be a key to anticipate the tendencies in relation to the demands on the market.

4.2.2.4 (WT) Strategic initiative

The WT strategic initiatives are derived on the basis of the internal factor 'weaknesses' and the external factor 'threats' from the SWOT-analysis. Combining weakness and threats on the basis of the SWOT-analysis of Mercuri Urval, it can be argued that increasing the focus on marketing and branding is a relevant strategic initiative. This is mainly due to the threat regarding the competition in the recruitment industry, hence, it must be assumed that being more visible on the global market would be an advantage in terms of increasing the knowledge of Mercuri Urval. In continuation, this initiative might increase the weak economy, which is a weakness of Mercuri Urval.

4.2.3 Comparison of People & Performance and Mercuri Urval

As mentioned in the brief introduction for section 4.2, the purpose of the TOWS-matrix is to identify the strategic development possibilities, in terms of initiatives, of People & Performance and Mercuri Urval. I am aware that these strategic development possibilities could be extended with further strategic initiatives, however, the ones provided create an indication of the strategic options. Yet, the ones identified in this thesis are based on the findings of the SWOT-analysis, which focus on limited internal and external factors of People & Performance and Mercuri Urval.

To briefly sum up the above TOWS-analysis, several initiatives can be taken into consideration on the basis of the results from the SWOT-analysis. It can be argued that some of the initiatives mentioned in table 5 and 6 are already being used by the organisations. This indicates that the organisations are aware of their opportunities, hence, when using the SWOT-analysis and TOWS-matrix, which are very simple tools, there is a possibility that the concerned organisations already know about these results, as tools like these are very accessible and easy to understand. One of the challenges, which appeared when utilising the TOWS-matrix, is that it can be difficult generating initiatives if the results from the SWOT-analysis are too specific. Hence, to gain more applicable results, in terms of strategic initiatives, it would be beneficial to broaden up the SWOT-analysis.

Now, the results from both the SWOT-analysis and the TOWS-matrix have been presented. These results indicates some strategic choices made by People & Performance and Mercuri Urval, hence Porter's Generic Strategies will be applied in the following section to analyse and discuss these strategic choices.

4.3 Porter's Generic Strategies

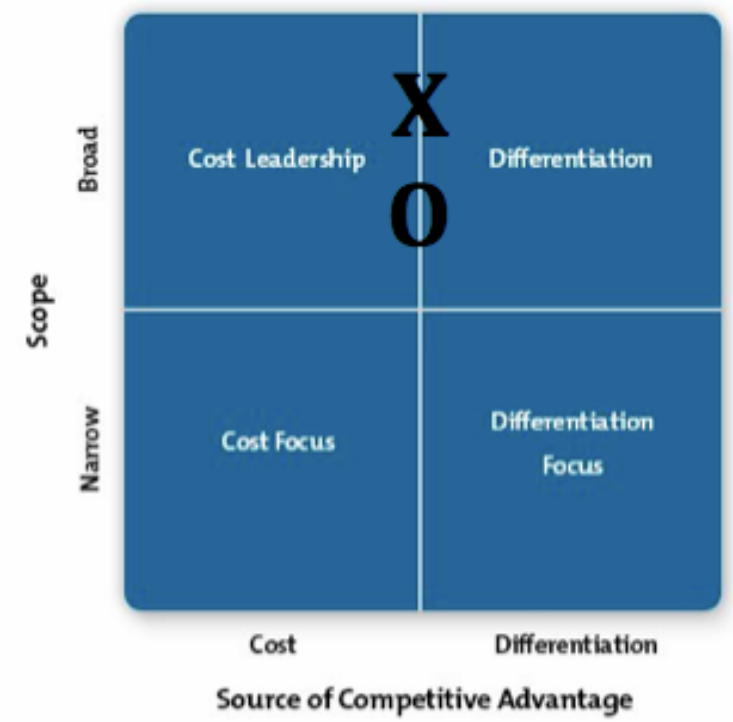
In this part of the analysis Porter's Generic Strategies will be applied. First, the generic strategies will be applied to People & Performance and afterwards the generic strategies will be applied to Mercuri Urval. The purpose of Porter's Generic Strategies is to identify and discuss, which position People & Performance and Mercuri Urval have on the global market. Therefore, this part of the analysis intends to analyse the strategic position of the organisations and discuss whether or not this is appropriate when seeking a competitive advantage.

On the basis of the results from the SWOT-analysis and the TOWS-matrix Porter's Generic Strategies seeks to identify:

1. Which source of competitive advantage fits with the organisations
2. Which scope fits with the organisations

The below model illustrates the results of Porter's Generic Strategies. People & Performance's position is marked with an 'X' and Mercuri Urval's position is marked with an 'O'.

Model 4: Porter's Generic Strategies – Results



(MindTools, n.d.)

4.3.2 People & Performance

Based on the SWOT-analysis and the TOWS-matrix it can be argued that People & Performance can be placed in the source of competitive advantage called 'cost leadership' within Porter's Generic Strategies matrix. According to Porter, being in the cost leadership means that the organisation seeks to be the low-cost performer in its industry (Porter, 1985). The following quote is an example on People & Performance seeking to be a low-cost performer: "As part of the tailor-made projects, we have invested in and developed online learning modules which, in combination with face-to-face training, enable customers to learn more effectively at a lower cost level."[7] (People & Performance A/S, 2017, pp. 6). This quote from the annual report 2017 indicates that People & Performance as an organisation seeks to gain a competitive advantage by being able to offer low-cost services to their customers. However, the fact that People & Performance is also able to tailor solutions for

[7] *"Som en del af de skræddersyede projekter er der investeret i og udviklet online læringsmoduler, som i kombination med face to face træning gør det muligt for kunderne at få mere effektiv indlæring til et lavere omkostningsniveau."* (People & Performance A/S, 2017, pp. 6)

the customers can also be argued to indicate the organisation seeking the source of competitive advantage called 'differentiation', which by Porter is defined as the strategy where an organisation seeks to differentiate itself from the others on the market (Porter, 1985). The scope of the strategic target of People & Performance can be argued to be broad, due to the organisation choosing to have five different business areas and in that way being able to attract different target groups. Yet, in terms of People & Performance's bankruptcy in February 2019, it must be assumed that the organisation did not succeed creating and sustaining a competitive advantage. According to the theory of Porter's Generic Strategies this implies, that People & Performance could be identified as being 'stuck in the middle', which by Porter is usually a sign of the organisation not being able to make a decision about how to compete and will in most situations be outcompeted by other organisations, which did make a decision on which strategy to utilise (Porter, 1985). Hence, as illustrated in the matrix in the above, People & Performance is located in the upper-middle area.

4.3.3 Mercuri Urval

Based on the SWOT-analysis and the TOWS-matrix, it can be difficult to locate Mercuri Urval within the source of competitive advantage of Porter's Generis Strategies matrix. The reason to this is, that none of the data retrieved says anything that diretly indicates whether Mercuri Urval should be located in 'cost leadership' or 'differentiation'. However, the results of the SWOT-analysis and the TOWS-matrix could indicate that Mercuri Urval does not belong within the source of competitive advantage 'differentiation', as the organisation, according to the analysis, do not focus on marketing and branding. It can be argued that focusing on marketing and branding might be a noticeable method of differentiating the organisation in an industry where the services must be assumed to be more or less similar. Furthermore, it can be argued that the scope of the strategic target of Mercuri Urval is broad, as the organisation is present in 23 countries and therefore it must be assumed that Mercuri Urval needs to appeal to several cultures and businesses.

It can be argued that Porter's Generic Strategies provides a more or less black and white approach, which sort of forces the researcher to make the results fit into the boxes of the matrix and does not make room for nuances within different industries. Therefore, lacking

a better option, Mercuri Urval is located in the upper-middle of Porter's Generic Strategies matrix, as illustrated in the above model.

4.3.3. Comparison of People & Performance and Mercuri Urval

As mentioned in the introduction for section 4.3, the purpose of utilising Porter's Generic Strategies was to identify and discuss, which of the strategies People & Performance and Mercuri Urval have utilised. It is worth mentioning that the outcome of this analysis is the result of the identified internal and external factors in the SWOT-analysis and the identified strategic development possibilities in the TOWS-analysis. Hence, having a different perspective and approach to the two previous analyses the outcome of Porter's Generic Strategies would also differ.

As it appears from Porter's Generic Strategies matrix in the above, People & Performance and Mercuri Urval are located in very similar positions in the market. This means, that, according to the findings of the SWOT-analysis and the TOWS-matrix, the two organisations are located in-between the source of competitive advantage 'cost leadership' and 'differentiation' and also, they are both located in the scope of the strategic target called 'broad'. Hence, according to the results of Porter's Generic Strategies, People & Performance and Mercuri Urval should be in possession of the same possibilities in terms of gaining a sustainable competitive advantage. However, the questions is then, why People & Performance went though bankruptcy and Mercuri Urval is maintaining a solid position on the global market? With the knowledge of both organisations as well as the results from of the analysis, it must be assumed that factors others than 'scope of strategic target' and 'source of competitive advantage' influence the success of the organisations.

It must be assumed that there are several reasons why People & Performance have not been able to achieve the same success as Mercuri Urval. However, on the basis of the topic of this thesis as well as the theoretical stances, some qualified estimations can be provided. As mentioned, before the bankruptcy in February 2019, People & Performance consisted of five different business areas. According to Porter, "Being all thing to all people" is a recipe for strategic weakness or below average performance, which indicates that the organisation has no competitive advantage (Porter, 1985, pp. 12). Hence, taking into consideration that People & Performance focused on several busines areas, a reason why

People & Performance have not been able to achieve the same success as Mercuri Urval can be interpreted as them not being able to maintain focus on one specific area, but instead intended to please as many target groups as possible. Therefore, it can be seen as a mistake in terms of gaining a competitive advantage.

Porter's Generic Strategies is concerned with gaining a competitive advantage based on the strategic position on the market. However, the findings of the analysis of this thesis show, that perhaps more factors than 'scope of strategic target' and 'source of competitive advantage' play a role when gaining a competitive advantage, which will be discussed in the following section. Also, Porter does not emphasise how to conduct an analysis properly on the basis of the Generic Strategy, hence, the theory is lacking a factor of operationalisation in terms of obtaining a satisfactory yield. Therefore, it must be up to the individual researcher to interpret Porter's Generic Strategies in term of utilising it as a theoretical stance, which can benefit the specific problem formulation examined.

5. Discussion

In this part of the thesis a discussion will be conducted. This section will include a discussion of the chosen analytical framework and the implications hereof. Furthermore, the discussion will touch upon the implications of the finding in relation to the relevant theory and literature of this thesis, as well as practical implications of the thesis in relation to similar organisations.

The analytical framework for this thesis consisted of the SWOT-analysis, the TOWS matrix and Porter's Generic Strategies. This composition appeared having both pros and cons in terms of examining the problem formulation, which will be discussed in this part of the discussion.

The first step in within the analytical framework was to conduct a SWOT-analysis on People & Performance and Mercuri Urval. This analysis creates a simplistic overview of the data and provides a solid foundation regarding People & Performance and Mercuri Urval in terms of analysing the organisation's strengths, weaknesses, opportunities and threats. In that way, the SWOT-analysis provided this thesis with an overall picture of the case organisations' situation. However, simultaneously, the SWOT-analysis did tend to create a somewhat

superficial view on the organisations, as it oversimplifies the components of the analysis. In continuation of this, it can be a challenge to be aware of where to begin and where to end due to the components, in terms of strengths, weaknesses, opportunities and threats are very fluffy. Therefore, it can be a challenge to determine what is relevant and what is not. Due to this, I believe that the SWOT-model is mostly useful when used as a foundation and when supported by other theories.

The TOWS-matrix has more or less the same pros and cons as the SWOT-analysis as it is a natural extension hereof. However, in relation to this thesis the TOWS-matrix did contribute by being able to convert the results from the SWOT-analysis into specific initiatives and gaining and understanding of which initiatives are possible to take action on in relation to gain a competitive advantage. Yet, the simplicity of both the SWOT-analysis and the TOWS-matrix result in these initiatives also being simple, which means it can be a challenges to come up with initiatives, which the organisations haven't already developed itself. This means, that the challenge with the TOWS-matrix is, that it generates too general solutions, and also, the person conducting the analysis needs to have initiatives in mind already when doing the SWOT-analysis, to avoid the initiatives not becoming too vague.

One of the things Porter's Generic Strategies has benefitted this thesis with is to identify the possible position of People & Performance and Mercuri Urval on the global market on the basis of the results from the SWOT-analysis and TOWS-matrix. In that way, Porter's Generic Strategies have been a benefit in terms of converting the more superficial results from the SWOT-analysis and TOWS-matrix into a tangible and specific outcome. The interplay between the SWOT-analysis and TOWS-matrix and Porter's Generic Strategies is necessary, as none of them would provide beneficial results, as they all support each other and provide different contributions to the thesis. Nevertheless, in relation to this thesis, Porter's Generic Strategies is not a natural extension of the SWOT-analysis and the TOWS-matrix, hence it can be a challenge to naturally put them together and gain the desired result. Also, Porter's Generic Strategies does not say a lot about how to operationalisation of the theory should be or how to conduct an analysis based on this theory and also the terms within the matrix of the theory such as the 'scope of the target group' and 'source of competitive advantage' are not elaborated on sufficiently, which constitute a challenge in terms of gaining an optimal result. Furthermore, the theory does not include the competitors on the market, which must be assumed to have a significant importance in relation to whether or not an

organisation is able to gain a competitive advantage. Hence, it is of my belief that Porter's Generic Strategies can be conducted in several ways, and in relation to this thesis, the SWOT-analysis and the TOWS-matrix are providing a solid analytical foundation for this. Also, to sum up the entire analytical framework, it is of my belief that they all support each other and therefore, despite of their individual deficiencies, compose a beneficial analytical framework for this thesis.

As mentioned in the methodology part '3.1.1 Critical realism' the aim of employing critical realism to this thesis was not only to understand which strategy People & Performance and Mercuri Urval have employed to the organisation, but also to investigate the underlying mechanisms, which can be decisive for whether the organisations are successful or not. It is of my belief, that by applying the SWOT-analysis, the TOWS-matrix as well as Porter's Generic Strategies and keeping critical realism in mind throughout the thesis, this combination of theory and methods has been beneficial to the examination of the problem formulation.

Having examined the problem formulation, a couple of topics have appeared being worth discussing, as they provide the existing literature with new insights based on the findings of the analysis. These topics are concerned with organisational culture in relation to the strategy of an organisation and also competitive advantage will be touch upon. These contributions to the existing literature will be discussed in this part of the discussion.

Within the SWOT-analysis it appeared that the organisational culture of both People & Performance and Mercuri Urval can be argued having a strong organisational culture. However, it can be discussed to what extend the organisational culture should be outspoken among the employees to gain a benefit from it. For instance, in relation to People & Performance's Instagram page, several postings emphasise the organisational culture. It must be assumed that this action intends to create a benefit for the organisation in terms of a good work environment for the employees. However, according to Schein, organisational culture arises when the employees share history and experiences (Schein, 1990) – so, where is the limit in relation to when an organisational culture is being forced through in terms of different arrangements? If the employees are needed to be reminded of the organisational culture it can be discussed whether or not the culture is developing naturally but, other the other hand, suddenly becomes a part of a strategic choice. Hence, it can be discussed whether or not it is

possible to create an organisational culture top-down (from management to employees), or if it should arise naturally bottom-up (from employees to the entire organisation).

The results from Porter's Generic Strategies are also worth discussing in relation to the existing literature. As mentioned in section '2.1.2 Competitive advantage', Barney states that to attain a competitive advantage it is necessary for the organisation to implement a value creating strategy that is not simultaneously being implemented by any current or potential competitor on the market (Barney, 2002). However, according to Porter's generic Strategies, there are only three strategies to choose from: 'cost leadership', 'differentiation' and 'focus', and, according to the analysis, People & Performance and Mercuri Urval are taking use of the same generic strategy. Hence, it can be discussed that Porter's Generic Strategies is too simplistic. If, as according to Barney, the organisations should implement a strategy not simultaneously used by other in the market, there is a need for more composition possibilities within Porter's Generic Strategies.

Another point, which can they provide the existing literature with new insights is based on the literature by Newbert who states that, if an organisation has identified their competitive advantage, they will use it as leverage to perform in the future, so the attainment of competitive advantage is predicting strong organisation performance (Newbert, 2008). From the results of Porter's Generic Strategies it appears that People & Performance and Mercuri Urval are very close to each other in terms of strategic choices, however, they have very different success, as People & Performance went bankrupt and Mercuri Urval is still surviving the recruitment market. Hence, this indicates that there is more to a strategy than making the choice of which scope of target and source of competitive advantage to choose. Therefore, it can be discussed that too little focus is on the underlying factors of gaining a competitive advantage within the existing literature. With that said, one of the main differences between People & Performance and Mercuri Urval, which is that Mercuri Urval is locally present in the global market while People & Performance was only locally present in terms of being a part of the 'IRC Global Executive Search Partners' network, which they got a member of in the final period before the bankruptcy in February 2019. Hence, according to the literature by Bartlett and Ghoshal, who emphasises the importance of being locally present in the global market (Bartlett, 1998), it can be discussed that this membership was an opportunity and a strategic

approach People & Performance should have looked into much earlier, and hence, missed out on in terms of gaining a competitive advantage.

The literature regarding the topics of this thesis, such as organisational culture, globalisation, competitive advantage and strategy is very general. Therefore, it is of my belief that the research design of this thesis, in terms of a comparative case study, provides a more profound insight into these topics, as it results in some specific tendencies, which can be related to the existing literature.

The purpose of the combination of critical realism and using mixed methods is, as mentioned in section '3.1.1 Critical realism', to obtain a holistic insight into People & Performance and Mercuri Urval. By doing so, it has been possible to look into several areas in terms of the SWOT-analysis and the TOWS-matrix. However, by gaining an insight into several areas, this combination of critical realism and mixed methods also turned out being a challenge in terms of obtaining a deep understanding of the data. Hence, to attain an even more optimal result of the combination of critical realism and mixed methods, it would be a benefit to have more resources in terms of time and data available.

Based on the findings of this thesis, this part of the discussion aim to discuss the applicability of the finding in relation to similar organisations. As mentioned in the methodology section, my findings are not generalisable, however, they may enlighten specific aspects that can be transferred to similar organisational contexts. These aspects will be discussed in this part.

The results from the TOWS-matrix show several initiatives, which can be done by People & Performance and Mercuri Urval. As mentioned previously, the results from both the SWOT-anlaysis and the TOWS-matrix are rather general and due to this, it can be discussed that these results can be seen as tendencies based on the analysis of People & Performance and Mercuri Urval, which can be transferred to other recruitment consultancies. Simultaneously, it can be discussed to what extend strategic considerations within an organisation can be controlled by the management. The findings from the analysis showed that People & Performance and Mercuri Urval are not that different, however, have achieved different success. Hence, it can be argued that succeeding with gaining a competitive advantage does also entail being at the right place at the right time in terms of trends in the market, which resources are available for the organisation and also the global political and

economic circumstances. As mentioned, the findings of the analysis, in terms of People & Performance and Mercuri Urval having more or less the same strategy does not result in the same strategy, also leads to Barney who states that organisations, which attempt to imitate other cultures will be at some disadvantage, in terms of reputation, experience, etc., compared to the organisation they are trying to imitate (Barney 1986). Hence, what works for one organisation does not necessarily work for the other as the competitive advantage entails more than just making a strategic choice, but also is depending on factors such as organisational culture and uncontrollable external factors.

6. Conclusion

To answer the problem formulation, the findings of the analysis and the discussion of this thesis will now be concluded on. The analytical framework consisted of three elements: the SWOT-analysis, the TOWS-matrix and Porter's Generic Strategies. In relation to the SWOT-analysis, the comparison of People & Performance and Mercuri Urval showed that the purpose of the SWOT-analysis was to identify and understand the organisations' competitive and management situation on the basis of both internal and external factors. People & Performance and Mercuri Urval share similarities, yet they are also very different. The results of the SWOT-analysis indicates, that the organisations have been in the recruitment industry under more or les the same circumstances, hence, it must be assumed, that there are several way of approaching a strategy on the global market. Following the SWOT-analysis, the TOWS-matrix was conducted, which purpose was to identify the strategic development possibilities, in terms of initiatives, of People & Performance and Mercuri Urval. Several initiatives can be taken into consideration on the basis of the results from the SWOT-analysis. It can be argued that some of the initiatives mentioned in table 5 and 6 are already being used by the organisations. This indicates that the organisations are aware of their opportunities, hence, when using the SWOT-analysis and TOWS-matrix, which are very simple tools, there is a possibility that the concerned organisations already know about these results, as tools like these are very accessible and easy to understand. The third, and final, part of the analytical framework was Porter's Generic Strategies. The purpose of using this theory was to identify and discuss, which of the strategies People & Performance and Mercuri Urval have utilised. As it appears from Porter's Generic Strategies matrix, People & Performance and Mercuri Urval are located in very similar positions in the market. This means, that the two organisations are located in-between the source of competitive advantage 'cost leadership' and 'differentiation' and also, they are both located in the scope of the strategic target called 'broad'. Hence, according to the results of Porter's Generic Strategies, People & Performance and Mercuri Urval should be in possession of the same possibilities in terms of gaining a sustainable competitive advantage. With the knowledge of both organisations as well as the results from of the analysis, it must be assumed that factors others than 'scope of strategic target' and 'source of competitive advantage' influence the success of the organisations in terms of gaining a competitive advantage.

The discussion of the thesis touched upon some of the topics, which appeared from the analysis. The discussion touched upon the analytical framework and the implications of the finding in relation to the relevant theory and literature of this thesis, as well as practical implications of the thesis in relation to similar organisations. In relation to the SWOT-model, the analysis appeared to tend to create a somewhat superficial view on the organisations, as it oversimplifies the components of the analysis. Hence, within this thesis the SWOT-model is mostly useful when used as a foundation and when supported by other theories. The TOWS-matrix has more or less the same pros and cons as the SWOT-analysis as it is a natural extension hereof. However, in relation to this thesis the TOWS-matrix did contribute by being able to convert the results from the SWOT-analysis into specific initiatives and gaining and understanding of which initiatives are possible to take action on in relation to gain a competitive advantage. Hence, the challenge with the TOWS-matrix is, that it generates too general solutions, and also, the person conducting the analysis needs to have initiatives in mind already when doing the SWOT-analysis, to avoid the initiatives not becoming too vague. Porter's Generic Strategies have been a benefit in terms of converting the more superficial results from the SWOT-analysis and TOWS-matrix into a tangible and specific outcome. Nevertheless, in relation to this thesis, Porter's Generic Strategies is not a natural extension of the SWOT-analysis and the TOWS-matrix, therefore it can be a challenge to naturally put them together and gain the desired result. It is of my belief that they all support each other and therefore, despite of their individual deficiencies, compose a beneficial framework for this thesis. From the results of Porter's Generic Strategies it appears that People & Performance and Mercuri Urval are very close to each other in terms of strategic choices, however, they have very different success, as People & Performance went bankrupt and Mercuri Urval is still on the recruitment market. This indicates that there is more to a strategy than making the choice of which scope of target and source of competitive advantage to choose. Therefore, it can be discussed that too little focus is on the underlying factors of gaining a competitive advantage within the existing literature and also, that the existing literature focus too much on the managerial factors of gaining a competitive advantage.

One of the main differences between People & Performance and Mercuri Urval, which is that Mercuri Urval is locally present in the global market while People & Performance was only locally present in terms of being a part of the 'IRC Global Executive Search Partners' network, which they got a member of in the final period before the

bankruptcy in February 2019. It can be discussed that this membership was an opportunity and a strategic approach People & Performance should have looked into much earlier, and hence, missed out on in terms of gaining a competitive advantage.

From the indications that People & Performance and Mercuri Urval seem to have a similar strategic approach, the discussion section also enlightened the topic that succeeding with gaining a competitive advantage does also entail being at the right place at the right time in terms of trends in the market, which resources are available for the organisation and also the global political and economic circumstances. Hence, what works for one organisation does not necessarily work for the other as the competitive advantage entails more than just making a strategic choice, but also is depending on factors such as organisational culture and uncontrollable external factors.

To answer the problem formulation, which is as follows:

"Is there a strategy, which would provide Scandinavian recruitment consultancies with a competitive advantage on the global market?"

The findings of the analysis and the discussion section of this thesis indicate that there is no exact strategy, which would provide a Scandinavian recruitment consultancy with a competitive advantage on the global market. By examining People & Performance and Mercuri Urval in terms of a comparative case study, it appears that even though they have approached the market more or less similarly, they gained a different result. This indicates, that a strategy that works for one organisation does not necessarily work for the other, as several factors come into play, hence, the strategy should be applied in accordance with the individual organisation and its situation. The reason to this is, that not all factors that play a role in relation to gaining a competitive advantage can be treated as a strategy, as for instance organisational culture, which needs to arise naturally between employees, and which not can be forced in relation to the implementation of a strategy. Nevertheless, on the basis of existing literature and the findings of this thesis, there is a tendency that having a local approach to the global market has benefits in terms of gaining a competitive advantage.

7. Bibliography

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