ADOPTION AND MODIFICATION OF HUMAN RESOURCE MANAGEMENT IDEAS (HRMI) IN ORGANIZATIONS: THE IMPACT OF STRATEGY, ORGANIZATIONAL CONTINGENCIES, AND NATIONAL CULTURE

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Abstract

The paper has raised the issue of why organizations introduce human resource management ideas (HRMI). In particular, it attempts to explain why managers sometimes modify HRMI. It is argued in the paper that attitudes and behavior of managers towards novel ideas cannot be divorced from organizational strategy as well as their cultural orientations. Particularly, organizational contingencies such as resource availability, politics and industry also impact on the adoption and modification of HRMI.

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Global competition and consumer sophistication have brought about phenomenal changes in organizations and the way work is done. Today, ideas on how to manage organizations come thick and fast from various quarters. For example, the "best-practice" approach to Strategic Human Resource Management (SHRM) have recommended specific Human Resource Management Ideas (HRMI) and practices that can lead to sustainable competitive advantage (see Abowd, 1990; Huselid, 1995; Pfeffer, 1994;1998; Terpstra and Rozell, 1993). Many organizations have responded to the recommendation by adopting these ideas. This paper is concerned with two features of the current discourse in SHRM. The first is the rapid adoption and abandonment of HRMI. The second is the modification of the ideas. While the former has received extensive attention in the literature (see Abrahamson, 1991; Alvarez, 1997; Gill and Whittle, 1992; Huczynski, 1993a; 1993b; Micklethwait and Wooldridge, 1996; Noria and Berkely, 1994; Rogers, 1983), the latter seem to attract little attention from researchers and commentators. In fact, while there are theories on the adoption and diffusion of HRMI (Abrahamson, 1991; Arias and Guillen, 1997; Mazza, 1997; Newell, Robertson and Swan, 1997), the same cannot be said, with confidence, about the modification of HRMI in organizations. For example, although many commentators agree that there are many versions of Participative Management, we do not have theoretical underpinning that explains the reasons why and how different versions of work systems and HRMI come about.

Some scholars have argued that the adoption of ideas such as TQM has been advocated without explaining the specific conditions that may affect its implementation (Sitkin, Sutcliffe, and Schroeder, 1994). For example, Dean and Bowen (1994: 397) note that "When management theory is prescriptive, its prescriptions tend to be contingent (i.e, sensitive to variation in the organizational context). TQ recommendations tend to be context independent and therefore implicitly universal". Despite what appears to be generalization of prescription of specific HRMI and practices by some proponents of SHRM, many organizations either by design or default tend to modify such ideas and practices to suit their objectives and circumstances. Sometimes ideas are modified beyond recognition. And this has generated criticisms from many experts. For example, commenting on the 75% failure rate of TQM (see Choi and Behling, 1997; Eskildson, 1994; Mathews and Katel, 1992), proponents of TQM blame some organizations for radically altering the idea to the point that they can no longer claim to be operating within TQM paradigm.

As an exploratory exercise, the main purpose of this paper is to attempt to provide a theoretical explanation pertaining to the adoption and modification of HRMI in organizations. To achieve this task, the paper uses *motives* for adopting new ideas as the basis for understanding how HRMI are chosen and modified in organizations. It is argued that, the motives not only determine the ideas adopted by the organization but also the degree of modification of the ideas. And the resilience of the idea to retain its original characteristics would depend on the *uniqueness* of the idea, the motives, persistence and skill of those who try to modify it. The more the idea is amenable to modification the more likely it would lose its characteristics. It is perhaps useful at this juncture to explain what we mean by *Human Resource Management Idea(s) (HRMI)*. The term refers to work systems, structures and human resource management practices considered as *novel* to the organization which adopt them. Table 1 provides a summary of the reasons why HRMI may be adopted by organizations. The Table is largely based on Roger's (1983) explanation of the characteristics of innovations as perceived by individuals.
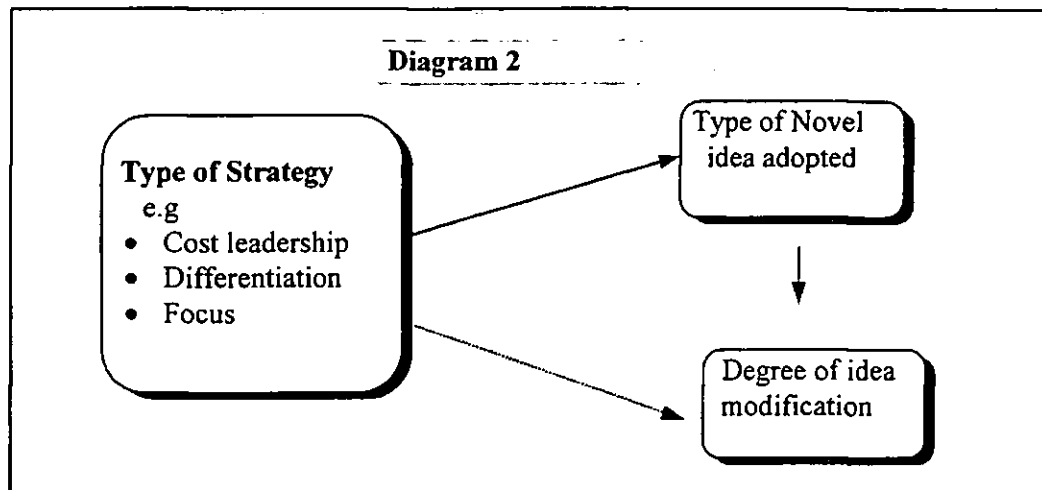
Table 1. Summary of Factors Influencing the Adoption and Modification of HRMI

Relative Advantage	The degree to which HRMI is perceived as better than the idea it replaces. Relative Advantage of HRMI can be evaluated from economic, political, strategic, social, convenience or satisfaction perspectives.
Compatibility	The degree to which HRMI is perceived to be consistent with existing values, past and present experience and needs of adopters. An idea that is perceived to be incompatible would be rejected or modified.
Complexity	The degree to which HRMI is perceived as difficult to understand and use. HRMI that is perceived to be too complex might be rejected or modified. Degree of complexity will influence the success of *knowledge merchants* in convincing organizations to adopt HRMI without modification.
Triability	The degree to which HRMI may be experimented with on a limited scale. This will determine the degree of uncertainty inherent in the idea. Triability will also influence not only the willingness of organizations to succumb to change agents and *knowledge merchants,* but subsequent modification.
Observability	The degree to which the results of HRMI are visible to others. The rate of imitation and mimicry within an industry will depend on Observability. Similarly, Observability will influence the type and degree of modification of HRMI. When poor result is observed, HRMI are more likely to be modified or rejected.

The following sections provide detailed elaboration of the main argument advanced in the paper

Organizational Strategy

Globalization of the world market has ushered in a lot of opportunities and challenges. To take advantage of this phenomenon, organizations are advised to adopt novel approaches to management. The introduction of HRMI is usually triggered by the need to maintain, to achieve or to regain competitiveness (Boxall, 1992; Carr, 1992; Gough, 1992; Jones, 1992; Lucio and Weston, 1992; Tichy, 1983). The decentralization of decision-making and the empowerment of employees for example, have been introduced in many organizations as a strategy to encourage product innovation (Kanter, 1983). For instance, between 1970 and 1980, Xerox share of the US copier revenue fell from 96 percent to 46 percent due to competition, mainly from Japan. This led to large scale changes that resulted in decentralization and specific workplace changes (Garvin, 1988). Bahrami's (1992) study of high-tech organizations at the Silcon Valley also has highlighted how competition has prompted reorganizing the structures and processes of many firms. It is argued that the competitive strategy adopted by an organization will influence the type of novel idea adopted, and the degree of idea modification (**See diagram 2**). Indeed many experts argued that organizational strategy and objectives will influence the choice of management ideas in organizations (Abrahamson, 1991; Armour and Teece, 1978; Chandler, 1962; Williamson, 1970; Youndt, Snell, Dean, and Lepack, 1996).

Diagram 2

(Type of Strategy e.g • Cost leadership • Differentiation • Focus) → (Type of Novel idea adopted) → (Degree of idea modification)

Proposition : Given that not all ideas will perfectly fit organizational strategy and objectives at a given time, organizations may need to modify them whenever they adopt them. Porter (1980) identifies generic competitive strategies that an organization can pursue. First, an organization may adopt a cost leadership strategy. Under this strategy, the firm would be interested in HRMI that ensures efficiency of operations. Flatter organizational structure may also result from reducing bureaucratic red tape. And organizations that pursue cost leadership strategy are less likely to adopt an idea that will require major financial expenditure during implementation. Hence, whatever the HRMI adopted, the organization is likely to modify it to suit its objective of improving organizational efficiency.

Second, the organization could pursue a differentiation strategy. This strategy refers to attempting to do something unique in terms of product, process or both. Under this strategy, the organization would adopt HRMI that maximizes the innovative potential of its workers. Participative management is likely to be a favored option. The emphasis will be on coordination rather than controlling employees' behavior. Participative management would be modified to focus on innovation. The degree of modification of the idea will be guided by specific objectives the organization is pursuing vis-à-vis differentiation strategy.

Third, when the organization pursue focus strategy, it might concentrate on specific customers or market. Accordingly, the organization would "consolidate" its current HRMI with emphasis on efficiency and effectiveness. The organization is not likely to introduce "radical" HRMI but probably modify the existing one. However, if a new idea is adopted, it is likely to be modified to suit the status-quo.

Influence of Customers

Michael Porter (1980) has highlighted the likely influence buyers and suppliers could have on organizational operation. Customers do not only influence the technology and raw materials used in an organization, but they can also determine organizational structure and systems. For instance, institutional customers can and do significantly influence organizational systems and structure. Many organizations have been forced into adoption of quality concepts by their customers under the Just-in-Time regime. For example workplace reform in a state water supply agency was brought about by the pressure from the customers (Curtain and Davis, 1992). Also when in the 1980s Hewlett-Parkard faced increased pressure from its customers for higher quality products, a detail study of quality was initiated. Following the findings of the study, interfunctional teams were established across the organization to pursue the objectives of quality (Garvin, 1988). A new customer can persuade or even demand certain treatment from the organization which could result in the adoption of HRMI. Indeed, Gay and Salaman (1992) argued that it is

4

possible to trace direct and detailed connections between new work forms and management emphasis on the notion of customer-is-king.

> **Proposition:** Where HRMI is exclusively tied to customer interest, the tenure of the idea will depend on customer satisfaction. The influence of customer will determine the extent and type of the HRMI adopted. When customer concern is related to quality for example, ideas such TQM and Quality Assurance will be adopted. However, if the concerns relate to price, efficiency and cost reduction ideas will be sought. Given that some ideas would not be specific to what the customer requires, certain modification is likely to take place in order to meet customer objectives.

The nature of the Industry

Some industries, by nature and characteristics are more receptive to new ideas than others. Similarly, others are more susceptible to persuasion by *knowledge merchants*. Unlike other industries, notably manufacturing, organization of work in the clothing industry has remained basically unchanged since the last century (Lloyd and Rawlinson 1992). Similarly, mining industry has remained relatively unchanged despite the introduction of sophisticated tools. Thus, some industries are more prone to changes than others. And organizations operating in a similar business sector would adopt similar strategy (Grinyer and Spencer, 1979; Greenwood and Hinings, 1988).

> **Proposition:** The more stable and simple the organization's environment, the less likely they will embrace HRMI. Conversely, the more competitive the industry's environment, the more impressionable organizations in such industry would be to the persuasion of *knowledge merchants*. Organizations in such industry would adopt HRMI without modification. However, organizations in industries that are less receptive to new ideas, would endeavor to modify any idea they adopt to suit the basic characteristics of the industry.

Pre-requisition

Sometimes organizations may have to introduce HRMI in order to support the newly introduced work system. In other words, introduction of a new system of working will trigger an introduction of another novel approach as a pre-requisite for successful operation of the former. For example, TQM has been noted to be essential for the successful operation of Just-In-Time (JIT), as defective units in the absence of stocks would bring production to an immediate halt (Delbridge and Turnbull, 1992; Duncan, 1992).

> **Proposition:** Adoption of one system of working would trigger the adoption of another. To the extent that the adoption of the first idea is due to organizational objectives, the pre-requisite would be considered as necessary. Therefore, adequate time and resource would be allocated for the efficient and effective functioning of the systems. The pre-requisite ideas are less likely to be modified unless the first idea is already modified.

Arrival of new comers

New arrivals in an organization bring with them ideas and views points that can trigger change in the existing structure and processes (Eilon, 1992; Miller, 1990; Cupper, 1976; Zaleznik, 1966). When Jack Welch was appointed CEO of General Electric in 1981, he restructured GEC from organizational to workplace level (Mitchell and Dobrzynok 1987). Similarly, when Carlson of SAS took over, within short time he turned SAS into a profitable airline by turning the organization chart upside-down (Edstrom, 1991; Naisbitt, 1987). Another dimension of "new-comers" is the acquisition of new technology or new business which could require rearrangement of the work setting to adapt to the new development in the organization (Bahrami, 1992; Harrington, 1991; Walsh, 1969). As Thomason (1988) pointed out, introduction of new technologies sometimes result in the destruction of old tasks and creation of new ones. Acquired firms may bring with them different structure, culture, and mentality which might cause workplace reorganization. Similarly, values and/or aspirations of the owners are sometimes brought to bear on the prevailing operations of the organization (Cupper, 1976; Useem and Gottlieb, 1990). Change in ownership therefore, can trigger change at workplace level (Carr, 1992). For example, the acquisition of a company by an

Australian conglomerate in 1987 saw the introduction of radical changes to the philosophy of management which resulted in worker participation program (Smith, 1992).

> **Proposition**: The impact of new comers would depend on their position in the organization. People hired at the lower level of the organizational hierarchy are more likely to introduce narrow and minor HRMI (e.g. suggestion scheme). Conversely, people hired at the higher level of the hierarchy are more likely to introduce major and extensive ideas (e.g. TQM). Initially at least, the ideas might
· not be modified. However, if the idea is already modified by the new comer, it is likely to remain so without further modification. It is worth noting that the impact of new-comers would depend on why they join the organization. Routine departure and arrival might not bring about radical change. Where newcomers are hired as change agents, major ideas are likely to be introduced.

> The experience of the new-comer would influence the nature and extent of the idea introduced. It would also depend on the charisma of the predecessor and the existing system which is in place. When new ideas replace popular idea(s), it is likely to be modified (albeit) unconsciously so that it will be in line with the previous one. However, if the HRMI is very unique to the point that any modification will render it useless, modification of the idea is less likely.

> New comers may also initiate change for the sake of it. This is to announce their arrival rather than to significantly change anything. The tenure of such idea would be closely related to the success/'standing' of the new comer. In any case, the ideas might not be radical but might be modified. This is because the aim is not to make a significant change to the status quo.

Departure of old-timers

While arrivals of newcomers could trigger the introduction of new ideas, departure of *old-timers* especially founding fathers of an organization could cause the adoption of novel ideas as well. For example, a company had to change its hierarchical management style to self-management style because there was no one capable of maintaining the *status quo* (Cupper, 1976). When members of the organizations are ill-prepared for the departure of *old-timers*, the success of the new idea would depend on aggressive patience and concerted effort by the management to change the mindset of members of the organization.

> **Proposition**: Other things being equal, organizations left with a vacuum due to the departure of "old-timers" would adopt and modify new ideas to fit the existing contingencies. The modification would be seen as necessary because of the ingrained habits and behavior already institutionalized.

Temporal Milestone

In his explanation of what triggers revolution, Gersick (1992) made the point that sometimes organizations are run using, what he calls a temporal milestone. He cited example of yearly, quarterly and bi-annual budget as an example. According to the author, changes could occur after reaching the milestone. It was also suggested that sometimes organization set up structures for a particular purpose and, when the objective in achieved, the structure will be dismantled, and a new/old one will be installed (Bartlett and Ghoshal, 1990). Committees and task force are example of such structures. Many organizations have unconsciously fallen into the Temporal milestone trap. For example, Quality circles and suggestion schemes have been discontinued when they accomplished what they set out to achieve. Some organizations introduce quality programs with the aim of getting accreditation or certification. When such objectives are achieved, the program is informally disbanded or neglected.

> **Proposition**: Temporal milestone phenomenon can influence the success of the current and future HRMI through its impact on employees' perceptions. When HRMI is perceived to be temporary (especially as a result of previous experience), employees may not be committed to the system. Thus, its success will be circumscribed. Temporary ideas are likely to have narrow objectives. Depending on the *breadth* of the objectives, such ideas are likely to be modified to suit the temporary objective. However if the idea is specific to the objective, for example to gain

accreditation from an external body, the organization is less likely to modify the idea. For instance, guidelines for ISO9000 is less likely to be modified before gaining the certification.

Organizational Culture

Some organizations such as Motorola, 3M and Microsoft are more willing to embrace change than others. These organizations are considered as *innovative organizations*. Other organizations on the other hand, find it very difficult to embrace novelty. Such organizations are considered *conservative organizations*. Their culture emphasizes maintaining the *status quo*. Organizational culture which emphasize innovation rely on what Wilson (1992) described as entrepreneurial framework. Solutions to perceived problems are assumed to be found outside the organization. The management's task is to scan the environment and import the most relevant solutions. These organizations also are more prone to using external consultants thus, increasing the likelihood of introducing HRMI.

> **Proposition**: Other things being equal, *innovative organizations* are most likely to introduce HRMI than *conservative organizations*. Similarly, *innovative organizations* are less likely to modify HRMI because of their risk-taking propensity. Besides, ideas are likely to be abandoned easily especially if they failed *to deliver the goods*. Conversely, *conservative organizations* are more likely to modify a new idea because they cannot take the risk of operating with a system that is dissimilar with their way of doing things.

National Culture

In looking for an explanation to why managers introduce HRMI, one has to look outside the industry in which the firm belongs. National culture can influence the rate at which firms reorganize their workplaces. As Wilson (1992: 90) noted "important clues might be found in the extent to which dominant characteristics of national cultures pervades organizational structures and processes". In fact, several studies have reported a relationship between national culture and human resource management practices (French, 1995; Hofstede, 1991; Lawrence, 1980; Lincoln and Kallenberg, 1985; Mamman, et al., 1996; Milliman, et al., 1995). One of the dimensions of culture identified in Hofstede's (1991) seminal work which is likely to influence managers to embrace change is *uncertainty avoidance*. Uncertainty avoidance has been described as "the extent to which members of a culture feel threatened by uncertain or unknown situation" (Hofstede, 1991:113). Uncertainty avoidance can influence managers' interpretation of HMRI. It can also influence the extent to which they are willing to adopt the idea.

According to Rogers (1983), diffusion of innovations is a special type of communication which entails a great deal of uncertainty. And uncertainty implies lack of predictability of structure of information. The author further argues that

> "Diffusion is a kind of social change, defined as the process by which alteration occurs in the structure and function of a social system. When new ideas are invented, diffused and are adopted or rejected, leading to certain consequences, social change occurs" (Rogers, 1983: 6)

It seems clear from the above observation that managers from cultures with high *uncertainty avoidance* would view the notion of adopting HRMI differently from mangers who are from low uncertainty avoidance culture. Indeed, the concept *Uncertainty avoidance* has been used to explain why Japanese corporations spend extraordinary effort on marketing research and product quality (Chen, 1995; Jain and Tucker, 1995). In fact Jain and Tucker (1995) found that, because of uncertainty avoidance, Japanese firms expend more resources on product quality and market research during Globalization than North American firms. Similarly, uncertainty avoidance is partly responsible for the lack of frequent adoption of HRMI in Japanese organizations. Also, the wide spread adoption of socio-technical system design in the 60s and 70s by Scandinavian countries can be attributed to the egalitarian/humanistic nature of the Scandinavian societies

> **Proposition**: Other things being equal, the 'fit' between the national culture and HRMI would influence its adoption and modification. Most importantly perhaps, it will influence the success of

the system (Young, 1992). Managers with *high uncertainty* avoidance would be less likely to adopt novel ideas easily. To the extent that they adopt new ideas at all, they are likely to modify them to ensure acceptability of the idea by the workforce.

Institutional Influence

The advent of socio-technical and the job characteristic models was to a significant degree influenced by absenteeism, rising rates of labor turnover, wildcat strikes and sabotage during the high employment years of the sixties and seventies (Child, 1985). Wall (1982) made the point that interest in job redesign in the early eighties was due to the fact that it had became an issue of national and international debate. A typical example of Government or legal influence on work reorganization is the passing in 1974 of a resolution by the Council of the EEC recommending the elimination of certain "sole destroying forms of work" (Wall, 1982). Similarly, attempts by governments especially in Australia and Britain to improve the efficiency and effectiveness of public sector institutions has been backed up by bureaucratic and in some cases legislative support in the form of new structures and processes (e.g. Bench-marking, Affirmative Action Committees). Arias and Gullen (1997: 121) also attribute the adoption of management ideas to government or nationalism influence. They argue that "the more nationalism in a particular country is geared towards cross-national emulation, the greater the rate of transfer of organizational techniques to that country". The authors cited the introduction of mass-production techniques to Brazil and Spain during the 1940s and 1950s as an example of state-orchestrated nationalistic emulation.

> **Proposition**: When adoption of HRMI is caused by legislation or government decree, its impact and duration is more likely to last. The survival of such ideas would largely depend on *political support*. Management practices that are brought about by legislation are less likely to be modified, given that the legislation might insist on specific structure and process.

Imitation

It has been argued that organizational change can best be understood as a process of emulation (Di Maggio and Powell, 1983; Fombrun and Shanley, 1990; Useem and Gottlieb, 1990; Fligstein, 1985). In a seminal work on Organizational Structure, Henry Mintzberg (1983) made the point that fashion favors the structure of the day, sometimes even at expense of its appropriateness. In his view, "We might like to believe that organizations are influenced only by factors such as age, size, technical system, and environment, not by what Jones Inc., is doing next door. But there is too much evidence to the contrary" (Mintzberg, 1983: 148). This 'me-too' tendency is usually triggered by a host of reasons such as 'fear of missing the gravy-boat', and desire to improve organizational image. Organization which blindly imitate others are more likely to introduce new systems without fully understanding its implications. For example, organizations that introduce Just-In-Time without fully understanding its implications were found to be less successful (Duncan, 1992).

> **Proposition**: Organizations which imitate others by adopting HRMI would do so without major modification (if done at all). This is partly because such organizations are not risk averse and perhaps less confident of their current system. Conversely, risk averseness and confidence in the current system would lead to rejection or modification of the HRMI.

Knowledge Merchants

Years of frustrating attempts to keep pace with competition has made managers prey to almost any plausible approach (Schaffer and Thomson, 1992). As the authors noted: "...When staff experts and improvement gurus show up with their evangelistic enthusiasm and bright promises of total quality and continuous improvement, asking for only faith and funds, managers greet them with open hands" (p. 84). The influence of consultants/experts on HRMI has been acknowledged by other writers as well (Mirvis, et al. 1991; Wood et al. 1983; Peters, 1992; Robson, 1982). According to Tom Peters (1992), consultants were a footnote to commerce decades ago, but now in a commercial context, knowledge merchants are by definition the new elite. However, some argue that some managers actually are not keen on latest ideas but rather the ideas are "forced" on them by senior managers or consultants who claim to have solution to their problem

8

(Bloomfield, 1995; Huczynski, 1993a; 1993b; Watson, 1994). For example, Watson (1994: 894) quoted a conversation between two managers which indicates that they are "sick" and frustrated with management 'gimmicks'. In the words of one manager,

> "Do we have to have all these fancy guru ideas? Do we have to wrap up common sense with buzz-words. We keep launching these big cure-all efforts, and when they don't work we move onto another" (Watson, 1994:894)

Lack of adequate knowledge and know-how has been identified as a reason why managers are sometimes in a haste to embrace change (Heller, 1986). Nohria and Berkley (1994) are of the view that many managers latch on to the latest panaceas because they are mistrustful of their own judgment. Huczynski (1993a: 452) noted: "management from such technical specialties as engineering, law or finance, have little managerial know-how. Most don't have the time, interests or awareness needed to learn their new craft, but they are anxious to produce immediately. What they are looking for, although they may profess to know better, are quick-fix solutions to dynamic complex problems".

> **Proposition**: Managers who adopt novel ideas as a result of persuasion would do so just for the sake of it . The tenure of such HRMI is likely to be short, unless managers resist subsequent *knowledge merchants*. Most importantly, the ideas are less likely to be consciously modified. This is because, lack of confidence by managers in the current system and in themselves would not allow them to modify it.

Organizational Politics

It is easy and even tempting to take the rational view that firms introduce new ideas because of the need to realign the organization's strategy and operations with the environment. For example, many experts argue that environmental changes create *performance gaps* across organizations. And *performance gaps* will prompt organization to adopt innovative ideas in order to close the *gap* (Abrahamson, 1991; Grandori, 1987). In spite of the validity of this argument however, the influence of power and politics in organizational change cannot be discounted (Pfeffer, 1992; Storey, 1992). As Storey (1992: 121) reported:

> "The accounts which suggest that HRM was some how an almost automatic response to heightened competition in product (and later in labor) markets are too simplistic. Quite clearly, one intervening variable was the micro-political struggle to defend and advance sectional interests between different managerial specialism".

According to Pfeffer (1992), the question of power and politics in organization is very important if managers are to succeed in getting things done. And he argues "by trying to ignore issues of power and influence in organization we lose our chance to understand these critical social process and to train managers to cope with them" (1992:30). Pfeffer (1992) is referring to the positive side of power and politics, however, the negative side suggests that sometimes adoption of HRMI may be as a result of a desire by a member(s) of the organization to either get rid of, or punish, a member of the organization, enhance career, regain power, or protect power base. This use of power has little to do with organizational objectives. For example, the author is aware of a case where job rotation was introduced in a particular organization under the pretext of multi-skilling, although the actual reason was to get rid of a particular employee from a section of the department. Indeed, it has been reported that some managers view adoption of news ideas as career enhancer (Huczynski, 1993a; 1993b).

> **Proposition**: Individuals or groups who need high power might not adopt a system that will bring about decentralization or Participative Management. To the extent that they adopt such novel system at all, they will modify it to suit their personal objectives. Hence the diversity of Participative Management and their outcomes.

Resource Availability

Introducing new HRMI such as QCs, TQM requires major financial commitments to pay for training, consultancy fees etc.. On the one hand, an organization which may desperately need to introduce HRMI could not do so because of constraints in financial resources. Indeed, organizations have been advised to consider the financial implications of trying to install schemes such as TQM (Hill and Freedman, 1992). On the other hand, some organizations could introduce HRMI simply because of the availability of financial resource to do so. For example, Australian universities have been given $A 76 Million to introduce TQM (Massaro, 1994). Arguably, many would not have considered TQM but for the financial inducement. Firms realizing more than expected profit sometimes utilize the windfall for investment. Such investment may be in the area of new technology which in turn may call for new HRMI. Availability of a specialized staff, such as those returning from training or redeployment might cause reorganization of the workplace. For example, Storey (1992) found that executives returning from conferences and international meetings account for a significant factor in the diffusion of HRMI.

> **Proposition**: The more the availability of slack financial and human resources, the more likely that an organization will introduce HRMI. Given that some ideas require major financial expenditure for consultancy and training purposes, organizations that do not have enough financial resources are likely to cut corners by modifying the idea. Conversely, organizations that have adequate financial resources for implementation are less likely to modify the idea because of financial reasons.

CONCLUDING REMARKS

This paper is about the adoption and modification of HRMI in organizations. In particular, it attempts to explain why organizations adopt and modify HRMI. It is argued in the paper that attitudes and behavior of managers towards HRMI cannot be divorced from organizational strategy as well as managers' cultural orientation. For example, managers from *high uncertainty avoidance* culture would be less likely to adopt HRMI. Even if they adopt such ideas, because of uncertainty avoidance, they would try to modify the idea to suit their cultural orientation. Pursuit of specific strategy such as differentiation strategy would lead organizations to seek HRMI which will enable their workforce to be more innovative or take independent initiatives. Organizational contingencies such as organizational politics, availability of resources and the nature of the industry are also noted to have some impact on the adoption and modification of HRMI.

The paper has implications pertaining to research. One of the research implications relates to testing the validity of the propositions advanced. Other questions that need answers include: What is the relative significance of each factor vis-à-vis adoption and modification of HRMI?. Do the factors interact with each other? If so, how?. Similarly, research is needed to test the process and degree of modification of HRMI in organizations. In a nutshell, research is needed to prove the validity or otherwise of the model and propositions advance in the paper.

To the extent that what it is proposed in this paper is valid, there are some practical implications as well. For example, if *knowledge merchants* can and do exercise undue influence on the adoption and modification of HRMI, it would seem reasonable to argue that managers should exercise extra caution when adopting new ideas. Similarly, given that some organizations are influenced by *irrational* reasons to adopt HRMI, it would be disastrous if such organizations are chosen for the purpose of bench-marking. Given that organizational contingencies can influence the adoption of HRMI, such contingencies could also influence its success. Therefore, despite the argument put forward by proponents of *best-practice* approach to SHRM, it seems reasonable to argue that organizations should take its internal and external contingencies into account before adopting specific HRMI. Similarly, the paper argues, whenever appropriate, organizations should always consider the possibility of modifying some aspects of HRMI they have adopted. However, such modification should take into account of the characteristics (e.g. uniqueness) of the idea as well as the organization's internal and external contingencies. Failure to do so might result in failure of the idea. Perhaps, this paper provides a humble beginning for the development of a theory of adoption and

modification of HRMI in organizations. More research and theorizing is needed, however, to come up with a comprehensive theory that can adequately explain this phenomenon.

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