UNIVERSITY OF VAASA

FACULTY OF BUSINESS STUDIES

DEPARTMENT OF MANAGEMENT

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**POLITICAL POWER GAMES AND INSTITUTIONS: A CASE STUDY OF
e–HRM IMPLEMENTATION FROM MICRO–POLITICAL AND
INSTITUTIONAL PERSPECTIVE**

Case: Sympa Oy

Master's Thesis in

Management and Organization

Human Resource Management

VAASA 2013

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UNIVERSITY OF VAASA
Faculty of Business Studies

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Line:	Human Resource Management
Year of Entering the University:	2011
Year of Completing the Thesis:	2013 **Pages:** 117

ABSTRACT

As companies are continuously seeking new ways to modernize their human resources (HR) delivery, improve their cost structures and overall business strategy, e–HRM systems are the latest trend which seeks to combine the potential of information systems (IS) into new way to deliver HR. As a result, e-HRM industry has become a multibillion–euro business for technology suppliers. However, this phenomenon has not been as popular in academic research as one would hope it to be and especially issues regarding micro - and macro level environment in implementation projects are almost without prior research. Hence, this study seeks to shed light on the implementation environment in international, institutional and micro–political level and particularly investigate the role of a vendor consultant in these projects.

This paper builds from theories linked to micro–political and institutional environments and highlights these issues in e–HRM implementation context. This study argues that firstly, it is necessary to understand the implications surrounding to the e–HRM system implementations, secondly understand why external experts are used, and thirdly, comprehend the influence of external and social environment to the implementation projects. With this in mind, the theoretical part of this research combines and constructs a framework from relevant academic articles within aforementioned themes. The framework is then tested against empirical evidence gathered from a Finnish e-HRM vendor.

Results suggest that consultants have a key role in the implementation and have ability to change the intended outcomes, but still more research is needed. Institutional environment, on the other hand, creates boundaries for the implementation in terms of critical elements that must be addressed. Within these boundaries it is the organizational micro–politics and social interactions (i.e. conflicts and power games) among stakeholders which ultimately shape how e–HRM fits in its' unique institutional and social context. This means that to be successful organizations need to address both of these environments and thus invest enough time for analysis and preparation.

1. INTRODUCTION

1.1 Background

Information technology (IT) has a fundamental role in our lives, and that dependence is not going to diminish; on the contrary it will increase. In business, IT has the ability to enable companies to establish and sustain more flexible business networks (Venkatraman 1994: 73), increase productivity (Brynjolfsson & Saunders 2009: 49) and foster innovations (McAfee & Brynjolfsson 2008: 107). Human resource management (HRM) on the other hand tries to target organization's human capital through recruiting new and developing existing skills (Huselid 1995: 636) or like Boxall, Hwee and Bartman (2011: 1504) see it as *"process of managing work and people in organizations".* According to some authors IT has been part of HR function's life since 1980s (Bondarouk & Ruël 2009: 505; Martin & Reddington 2010: 1554), but De Wit (2011: 1) pointed out that Mayer's (1971) article on "Electronic Data Processing Personnel Systems" was the birth of e–HRM phenomenon. In this thesis, this combination of IT and HR is defined:

"(planning, implementation, and) application of information systems (IS) for both networking and supporting actors in their shared performing of HR activities" (Strohmeier 2009: 528).

In early 2000s, around 75 percent of ERP implementation efforts resulted to failure (Hong & Kim 2002: 25). As a result, the decisions around a software implementation must be reviewed carefully. Despite general failures, e–HRM has gained more ground in organizations (CedarCrestone 2006; 2008; 2010) and the sales of HR technologies over the last decade were estimated to be around 300 billion US dollars (Bondarouk & Ruël 2009: 505). Yearly companies are making investments to e–HRM with the amount of 241 dollars per employee according to CedarCrestone (2008–2009) survey. This development is not going to slow down, CedarCrestone (2010–2011: 1) survey forecasted almost 100% growth in talent management, social media and analytics/planning applications for the years 2012 - 2015. Also Josh Bersin (2013) in Forbes predicts acceleration on adoption of e-HRM solutions, because e–HRM

solutions have been argued to have the potential to transform HR and make it as a strategic partner for the business (Ruël, Bondarouk & Looise 2004: 369 & 373; Strohmeier 2009: 528; Parry 2011: 1159).

Even though companies invest huge amounts of money into e–HRM systems, the research lacks behind of this development. Orlikowski and Scott (2008: 434) claim that technology is largely forgotten in organizational research and e–HRM is no exception in this. According to Strohmeier (2007: 22, 28 & 31) and Marler and Fisher (2012: 16) e–HRM has received relatively low level of academic interest and as a result, there is still has little theoretical evidence regarding the issues surrounding e-HRM implementation.

Only few studies have approached e–HRM technology as an emergent and complex phenomenon and for example Johns (2006: 388) argues that without understanding the situation where individual and group behavior happen, the research is unable to explain person–situation interactions. In addition, it is crucial to identify all the parties involved in e–HRM process and with this in mind, Bondarouk and Ruël (2009: 511) encourage future e–HRM research to take into consideration the multi–stakeholder perspective to fully understand the phenomenon. Furthermore, Marler and Fisher (2012: 17) encourage the future research to look and consider contextual variables like conflicting interests, social, cultural and infrastructural pressures. This is because organizations are socially embedded in its' institutional context and its' past (Kostova & Roth 2002: 216) and as a result institutional context has been seen to have a strong influence on adoption of a practice (Kostova & Roth 2002: 230). Therefore this research takes interest on institutional and micro–political matters in e–HRM implementation and investigates this from a vendor point of view which presents the influence of consultants in e–HRM implementation since Bondarouk and Ruël (2009) earlier emphasized the multi–stakeholder view in these processes.

This master thesis follows a structure where first key concepts are explained, then the relevant theory around the research topic is presented and synthesis of the theory is formed for the empirical testing. After theory section, the methodology behind the study is described to illustrate the process of data collection. Thereafter follows the analysis

section, which presents the relevant empirical evidence and finally implications for practice and potential limitations of the research are discussed in the conclusion chapter.

1.2 Research Questions

As shortly discussed above, institutional context and micro–politics have been neglected in the past research and yet considered to be influential in the implementation process. Therefore this research's key interested is to connect e–HRM implementation process with the institutional and micro–political environments. As a result, the study adopts following combination of research questions.

(i) What are the key micro–political issues and conflicts in e–HRM implementation? [and how individual actors use their power in these negotiations to reach mutually satisfying agreements]?

(ii) How institutional environment affects to the e–HRM system implementation decision–making?

(iii) What is the role of consultants in implementation negotiations?

1.3 Research Focus

In this study, the e–HRM implementation process is reflected from a micro–political perspective, where the aim is to illustrate the issues regarding each stage of the implementation with the help of theory from e–HRM, IT, institutional and micro–political environments. To achieve this, the study adopts a single case study approach in data gathering to get a deep understanding on the phenomenon. The idea thus is to find evidence on the micro–politics influence in decision–making at the e–HRM implementation in the MNC context and as a result make its' own contribution to the academic discussion and to give some practical suggestions for companies to understand these issues.

1.4 Key concepts

In this section the main concepts around the research are presented to the reader and these concepts lay a foundation around the topic area. Following themes, however, are

not meant to be extensive descriptions of the concepts, instead, these are to give a starting point for the reader to be able to comprehend and start a vibrant dialogue with the paper around the e–HRM implementation process and the factors surrounding it.

HRM

"*Human resource management (HRM) is the process of managing work and people in organizations*" (Boxall, Hwee & Bartram 2011: 1504). To open this up, HR's ultimate jobs are to link the people issues of the organization with the customer–focused business strategies and thus play a part in harnessing individual abilities and organization capabilities in a search for competitive advantage (Ulrich & Brockbank 2009: 26 & 31).

Information Systems

Information systems (IS) is interpreted by Laudon and Laudon (2002: 7) as "*a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization*".

e–HRM

This research uses Strohmeier's (2009: 528) description of e–HRM "*(planning, implementation, and) application of information systems (IS) for both networking and supporting actors in their shared performing of HR activities*".

MNC

The multinational corporation (MNC) context, where this paper operates, is seen as "*MNC as a geographically–dispersed set of value–adding activities, each activity of which can be viewed as a semi–autonomous entity, with ownership ties, normative links and certain obligations to head office*" (Birkinshaw, Holm, Thilenius & Arvidsson 2000: 323).

Micro–political view

Dörrenbächer and Geppert's defines micro–political perspective, "*micro–political perspective focuses on evaluating how actors with different targets, needs and identities operate together, without taking into consideration national or functional implications, when there are conflicts of interest. Its main reason is to show the influence of social structures and human relations on decision–making and co–operation* " (Dörrenbächer and Geppert 2006: 255–256). Schotter and Beamish draw the interest on managerial level actors in their definition, "*micro–political perspective is specifically concerned with individual managers and their subjective interests in strategizing, organizing, and interactions between managers across functional and national divisions*" (Schotter and Beamish 2011: 245). This is the view adopted in this study.

Institutional perspective

Scott (2001: 48) defines institutions to be tightly embedded social structures composed from regulative, cognitive and normative elements that provide stability and meaning and carried by symbolic and relational systems, routines and artifacts. Also institutions can be seen in various levels from individual to the global level and these institutions are transforming overtime together with their environments (Scott 2001: 48). As a result institutional perspective attempts to justify the fact that inside industries there are strong resemblances in organizational structures and practices between companies (DiMaggio and Powell 1983: 148).

Now the relevant concepts, the background and the aims of the study has been discussed to give the reader a glance around the theme of the study. In the next two chapters; the relevant literature is reviewed and the theoretical framework of the study is presented. In other words, the implications around e–HRM, the current research and e–HRM implementation process are clarified.

2. e–HRM

The purpose of this chapter is to review the literature and to give the reader an understanding of the topics related to e–HRM implementation. As a result, the reader should be familiar with the theoretical setting surrounding the research questions. The first section of this chapter defines the e–HRM, the second section illustrates some of the past research, the third section focuses on the implementation process and discusses the role of consultant and the fourth section links the e–HRM to the wider strategic aims of HRM.

2.1. Definitions and concepts of e–HRM

To begin with, Strohmeier (2009: 528) defines e–HRM as *"planning, implementation, and application of information systems (IS) for both networking and supporting actors in their shared performing of HR activities"*. Further, Martin and Reddington (2010: 1554) interpret e–HRM to be a complex phenomenon integrating IT technology and HR policies and practices, and the extending the HR to be a joint activity of the whole company (Martin & Reddington 2010: 1554). These activities include, for example, recruitment, securing talent, supporting administrative HR and optimization of people management (Shrivastava & Shaw 2003: 201). In addition, Lepak and Snell (1998: 216) extend this view by presenting that *"Virtual HR is based on network structure, which relies on partnership and information technologies to recruit, develop and relocate intellectual capital"*. In this case, virtual HR can be understood as synonym to e–HRM.

Above mentioned views are backed up in Bondarouk and Ruël's (2009: 507) definition of e–HRM, "*an umbrella term covering all possible integration mechanisms and contents between HRM and information technologies aiming at creating value within and across organizations for targeted employees and management*". This means that e–HRM can be seen as universal term for HR and IT integration which aims to add value within its' network. To combine the presented definitions, e–HRM can be seen as a process which involves several actors and its' sole purpose is to harness HRM and IT for the benefit of the company and its' different stakeholders.

Before the term e–HRM was used to describe the integration between HR and IT, Tannebaum (1990) combined IS, IT and HRM elements into one definition, on human resource information system (HRIS); IT based system to acquire, store, manipulate, analyze, retrieve and distribute relevant HR information (Shrivastava & Shaw 2003: 202 cited Tannebaum 1990). In this context information system is seen as being a general term for covering firms' and its' networks' interconnected information processes such as purchasing, suppliers and manufacturing and HRIS being one part of the system. As a result Laudon and Laudon (2002: 7) summarizes it as "*a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization*". Human resource management on the other hand means, "*the process of managing work and people in organizations*" (Boxall, Hwee & Bartram 2011: 1504). Therefore even though both e–HRM and HRIS are focusing in delivering HR practices, distinction can be made through their client focus and the level of information sharing, HRIS serves HR professionals and it is mainly applied for automation of HR activities and e–HRM connects the whole company together and fosters communication across the functional boundaries (Martin & Reddington 2010: 1554; Marler & Fisher 2012: 4; Ruël et al. 2004: 365).

With the above discussion in mind, this paper selects Strohmeier's (2007: 2009) definition as a guideline for the thesis. To conclude, e–HRM systems approach differently on the HR delivery compared to HRIS systems, the first is aimed to serve the whole company and the latter is a tool of HR professionals. Both systems take advantage of the latest IT and is build on the IS idea presented by Laudon and Laudon (2002). The next section focuses on illustrating to the reader the main directions and potential gaps of e–HRM research, which is gathered together from over 40 HRIS and e–HRM related publications.

2.2 Milestones

The following list of researches (see table 1.) are reviewed briefly and then categorized to open up some of the existing e-HRM research.

Table 1. List of revised e–HRM articles.

#	Author/s & year	Category	Source
1	Alcaraz, Domenech & Tirado (2012)	Outcomes	Information and Organization
2	Al–Dmour & Shannak (2012)	e–HRM adoption	European Scientific Journal
3	Bell, Lee & Yeung (2006)	Impact on HR job	Human Resource Management
4	Bondarouk, Ruël & van der Heijden (2009)	Perception	The International Journal of Human Resource Management
5	Bondarouk & Ruël (2008)	Implementation	European Management Journal
6	Bondarouk & Ruël (2009)	Review	The International Journal of Human Resource Management
7	Chapman & Webster (2003)	Recruitment	International Journal of Selection and Assessment
8	Farndale, Paauwe & Hoeksema (2009)	Outcomes	The International Journal of Human Resource Management
9	Florkowski & Olivas–Lujan (2006)	e–HRM adoption	Personnel Review
10	Gardner, Lepak & Bartol (2003)	Impact on HR job	Journal of Vocational Behavior
11	Grant, Dery, Hall, Wailes & Wiblen (2009)	Strategic e–HRM	Conference Paper: Annual CIPD Centres' Conference
12	Girard & Fallery (2010)	Recruitment	The Journal of Contemporary Management Research
13	Gupta & Saxena (2010)	Perception	Management Insight
14	Hainess III & Lafleur (2008)	Impact on HR job	Human Resource Management
15	Heikkilä & Smale (2011)	Perception	Journal of World Business
16	Heikkilä (2010)	Future scenarios	3rd European academic workshop e–HRM
17	Hussain, Wallace & Cornelius (2007)	Impact on HR job	Information & Management
18	Hustad & Munkvold (2005)	Outcomes	Information Systems Management
19	Kassim, Ramayah & Kurnia (2012)	Impact on HR job	International Journal of Productivity and Performance Management
20	Lengnick–Hall & Lengnick–Hall (2006)	Strategic e–HRM	Human Resource Management
21	Lepak & Snell (1998)	Drivers	Human Resource Management Review
22	Lin (2011)	Strategic e–HRM	The International Journal of Human Resource Management
23	Lippert & Swiercz (2005)	Implementation	Journal of Information Science
24	Marler (2009)	Strategic e–HRM	The International Journal of Human Resource Management
25	Marler & Fisher (2012)	Strategic e–HRM	Human Resource Management Review
26	Martin & Reddington (2010)	Strategic e–HRM	The International Journal of Human Resource Management
27	Martin, Reddington, Reddington & Sloman (2009)	Future scenarios	Education+Training
28	Olivas–Lujan, Ramirez & Zapata–Cantu (2007)	e–HRM adoption	International Journal of Manpower
29	Panayotopoulou, Vakola & Galanaki (2007)	e–HRM adoption	Personnel Review
30	Panayotopoulou, Galanaki & Papalexandris (2010)	e–HRM adoption	New Technology, Work and Employment
31	Parry (2011)	Strategic e–HRM	The International Journal of Human Resource Management
32	Parry & Tyson (2011)	Goals & outcomes	Human Resource Management Journal
33	Ruta (2009)	Strategic e–HRM	The International Journal of Human Resource Management

34	Ruël, Bondarouk & Looise (2004)	Drivers & outcomes	Management Revue
35	Ruël, Bondarouk & van der Velde (2007)	Outcomes	Employee Relations
36	Ruël & van der Kaap (2012)	Strategic e–HRM	Zeitschrift für Personalforschung
37	Schalk, Timmerman & van den Heuvel (2012)	Drivers	Human Resource Management Review
38	Smale & Heikkilä (2009)	Micro–politics	Handbook of Research on E–Transformation and Human Resource Management Technologies: Organizational Outcomes and Challenges
39	Stone & Lukaszewski (2009)	Implementation	Human Resource Management Review
40	Stone, Stone–Romero & Lukaszewski (2006)	Implementation	Human Resource Management Review
41	Strohmeier & Kabst (2009)	e–HRM adoption	Journal of Managerial Psychology
42	Strohmeier (2007)	Review	Human Resource Management Review
43	Tansley & Newell (2007)	Politics	Management Learning
44	Teo, Lim & Fedric (2007)	Strategic e–HRM	Asia Pacific Journal of Human Resources
45	Tixier (2004)	Outcomes	International Journal of Human Resource Development and Management
46	Voermans & Veldhoven (2007)	Perception	Personnel Review
47	Zafar (2012)	Security	Human Resource Management Review

e–HRM and its' predecessors have been around more than 20 years, although the research around it is still limited compared to the most popular research directions in HR field (Strohmeier 2007: 22 & 34). IT has been part of HR function's life since 1980s (Bondarouk & Ruël 2009: 505; Martin & Reddington 2010: 1554), although De Witt (2011: 5) argues its' origin been already from 70's and e–HRM phenomenon, the latest HR technology manifestation, has been studied since 1995 (Strohmeier 2007: 22). Near the millennium the focus in e–HRM research was at virtual organizations and thus to virtual HR, one of the most influential articles around this time would arguable be Lepak and Snell's (1998: 215) research around the incentives to implement virtual HR. They found that the main driving force for the implementation is a search for HR to become more responsive, adjustable, cost–effective and strategic (Lepak & Snell 1998: 231). Ruël, Bondarouk and Looise (2004: 366) later studied in their case study the implication of e–HRM adoption, precisely goals, types and outcomes of e–HRM. They found out that e–HRM is linked to aims for globalization and shared HR process (standardization), the goals are to improve efficiency, service and strategic orientation

resulting into similar findings as Lepak and Snell (1998) mentioned earlier (Ruël et al. 2004: 373–375). Although Schalk, Timmerman and van den Heuvel (2012: 1, 4 & 7) studied through case study evidence the implications of strategic considerations to the decision–making process of e–HRM introduction, they discovered that HR deliverables and business drivers are not as influential in the decision–making process, except the aim for cost reduction, as the existing HR technology and current people management trends.

As inspired from this and Ulrich's (1997: 318) earlier recognition that HR needs to become more like a strategic partner for the business, the current research is now focused on the e–HRM phenomenon which expanded the coverage of HR software to include also line managers and employees. Thus the links between strategic HRM and e–HRM has gained relative large amounts of interest compared to some other areas in e–HRM research. In order to be strategic, HR should add value to the business, this was tested by Parry (2011: 1146 & 1159–1160), who analyzed through resource–based view the potential of e–HRM's ability to lift the value of HR function and finding some evidence on e–HRM's influence on HR becoming strategic. Ruël and van der Kaap (2012: 260 & 276–277) were also interested in the value creation aspect of e–HRM, recognizing that e–HRM does have a positive relation with value creation, thus supporting Parry's (2011) earlier statement and also showed that contextual factors have an impact to this. Also Olivas–Lujan, Ramirez and Zapata–Cantu (2007: 418 & 430) were interested on how e–HRM strategies are being implemented in Mexico and finding also the influence of unique contextual factors in e–HRM implementation. Although Tixier (2004: 414 & 427–428) studied the outcomes of HRIS implementation in MNCs on HR job and the result showed that taking into account contextual factors in e–HRM implementation does not always result into success.

Ruta (2009: 562 & 574–575) analyzed the role of HR portals in creation and fostering intellectual capital through a case study and came to a conclusion that, if HRM policies are aligned with the business strategy, HR portals can affect to the intellectual capital development. Also Lin (2011: 235 & 250–251) studied how e–HRM influences in organizational innovation through the virtual organization structure and IT adoption, the

results implicated that e–HRM had a positive influence on organizational and individual creativity. Nevertheless Marler (2009: 515 & 525–526) found in her study evidence that e–HRM alone is not likely to make the HR function strategic and thus claimed that the HR function itself should be already strategic to realize all the benefits of e–HRM. Similar indications were found by Grant, Dery, Hall and Wailes (2009: 1 & 17), who analyzed the possibilities of HR function with the HRIS software to take a relevant role in organizations' strategy creation, their main finding showed that the case companies have not yet realized the potential and therefore the software is mainly linked to transactional HR activities. Finally two research papers, Martin and Reddington (2010) and Marler and Fisher (2012), have illustrated and evaluated the whole network of connections between e–HRM and strategic HRM.

Other theme with close linkages to strategy has been the outcomes of e–HRM, which has also generated wide interest among researchers. Ruël et al. (2004) found as outcomes of e–HRM adoption for example cost reduction and the responsibility shift of administrative task from HR personnel to the hands of line managers (Ruël et al. 2004: 375 & 377). Farndale, Paauwe and Hoeksema (2009: 544–545 & 558) saw similar results, when they studied how the HR shared service centers impacted on the HR delivery and the expectations, the results showed an improved customer–orientation through better focus, increased quality and cost effectiveness of the service. Also Parry and Tyson (2011: 335 & 352) examined in their case study the relation of the intended goals and the outcomes of e–HRM implementation, they found that mainly transactional and relational goals where realized and thus neglecting the strategic side of e–HRM. Alcaraz, Domenech and Tirado (2012: 106 & 119–121) on the other hand, were interested in their study what kind of benefits Western HRM practices bring to the developing countries in e–HRM context and as a result found supportive evidence to earlier research that the main benefit was the standardization of HR practices. Ruël, Bondarouk and van der Velde (2007: 280 & 288–289) came to alternative conclusion in their study, introduction of e–HRM had brought to the case company technical and strategic effectiveness, also employee participation combined with support and information had a positive relation with the quality of e–HRM applications. Hustad and Munkvold (2005: 78, 83–84 & 86) examined IT implementation of strategic

competence management application in Ericsson and revealed multi–level benefits, for example, the ability of e-HRM to support strategic competence management, and also dysfunctional outcomes in such themes as friction between global and local practices, commitment and designing the competence framework. Furthermore, Lengnick–Hall and Lengnick–Hall (2006: 180 & 190–191) examined the relationship of HR and ERP systems in knowledge and capability creation, they found a positive relation with the two by using dual–core structure, HR being the architect of ERP implementation. As seen from above e–HRM's strategic nature has received wide interest among researchers, although Bondarouk and Ruël (2009: 508) argue that the current research orientation should withdraw itself from studying duplicate studies on e–HRM's cost reduction capabilities or e-HRM's ability to transform HR to become more strategic.

The only micro-level study found on e-HRM outcomes was Stone, Stone–Romero and Lukaszewski's (2006: 229 & 241–242) study which was interested in the factors after e-HR system implementation resulting to intended and unintended consequences for both individuals and organizations. As a result they recommended focusing on the fit between individual and organizational values and goals, on information flows between the individuals and e–HR system, on social interaction and on perceived control. Stone and Lukaszewski (2009: 134) further studied the acceptance and effectiveness of e–HRM design and implementation and thus as a result added new elements, media and message characteristics, into their earlier model from the 2006 study.

Another interest area in e–HRM research has been issues related to the implementation of e–HRM. Lippert and Swiercz (2005: 340, 344–345 & 350) explored the relation of trust and HRIS implementation success and as a result formed a model, which include variables from technological, organizational and individual dimensions, for empirical testing the earlier mentioned relationship. Bondarouk and Ruël (2008: 155–156 & 160–162) also draw the attention in their research paper to the e–HRM implementation process, they illustrated through three case study examples 17 HRM practices that had an influence to user behavior and to the success of IT implementation. Furthermore Teo, Lim and Fedric (2007: 44) studied the interconnectedness between innovation, organizational and environmental characteristics and the adoption of HRIS in

Singapore. They found a positive relationship with organizational characteristics and adoption of HRIS and thus developed criteria for evaluating the adoption decision of HRIS (Teo et al. 2007: 60). Unlike previous research Smale and Heikkilä's (2009: 153 & 166–167) study looked the phenomenon on the other side and targeted on identifying issues (micro–political), actors and resources that tend to generate conflicts during e–HRM integration in MNC setting. They found as sources of conflict issues such as e–HRM system design, standardized use of English and grey areas of HR policy.

Strohmeier and Kabst (2009: 482 & 495–497) focused in their paper to evaluate factors influencing MNCs adoption of e–HRM in European context, they came to a conclusion that the size, work organization and configuration of HRM are the most relevant variables in e–HRM adoption. Also the study sample showed that almost 70% of organizations have adopted e–HRM solution and Eastern European countries being the most penetrated in the adoption (Strohmeier & Kabst 2009: 495–497). Panayotopoulou, Galanaki and Papalexandris (2010: 253 & 266–267) examined how the national context influences e–HRM use in European scale and highlighted the influence of socio–cultural factors on e–HRM adoption and as a result managed to divide Europe into three clusters. Florkowski and Olivas–Lujan (2006: 684 & 704) analyzed the spreading patterns of eight HR technologies within organizations and across countries and came to a conclusion that communication between individuals is the main driving force for the growth.

In addition, Al–Dmour and Shannak (2012: 1 & 228) were interested in studying the implementation level of e–HRM in Jordanian shareholding companies and trying to explain this through analyzing internal and external factors of the sample companies, they found that current e–HRM penetration being at moderate level and that internal factors matter the most. Panayotopoulou, Vakola and Galanaki (2007: 277 & 289–290) studied the changing role of HR function due e–HR adoption in Greek firms and found that firms in the sample lacked behind in e–HR adoption compared to rest of the Europe and the main pressure for firms to adopt e–HRM comes from external environment, however this result contradicts with Al–Dmour and Shannak's (2012) conclusions. Strategic issues rose in the study as the most significant reason for adoption and the

study showed as critical success factors in adoption, for example, collaboration between IT and HR and the influence of organizational culture (Panayotopoulou et al. 2007: 292).

Fourth interest area has been the perception towards e–HRM among different stakeholders. For example, Gupta and Saxena (2010: 3 & 20–21) studied employees perception towards e–HRM in service organizations, findings from the quantitative study revealed mixed results and therefore some suggestions were presented, such as training in all levels, focusing on negative attitudes and to communicate positive effects of e–HRM, to improve the perception. Voermans and van Veldhoven (2007: 887 & 899–900) studied attitudes towards e–HRM in the quantitative study at Philips, they found that IT environment and the preferred strategic role for HR had a positive effect to the attitudes towards e–HRM. Bondarouk, Ruël and van der Heijden (2009: 578 & 588–589) examined the relation of e–HRM and effectiveness in their qualitative study in public sector, the study revealed that e–HRM effectiveness was perceived differently among the stakeholders and thus stressing the importance to discover in early stage the interest of stakeholders and to adapt to the situation with improvements. Heikkilä and Smale (2011: 1 & 8) on the other hand were interest in their study to look at the effects of language standardization on the acceptance and use of e–HRM systems in foreign subsidiaries, they found both functional and dysfunctional effects of language standardization to IT acceptance and use.

Gardner, Lepak and Bartol (2003: 159 & 173–175) examined in their survey based study how IT impacted in HR professionals job, the study showed that IT has implications to HR professionals' job such as intensified information dissemination and heightened requirements for new IT skills, which enabled the professionals to engage in developing new ways for HR delivery. Bell, Lee and Yeung (2006: 295 & 303) studied the relation between e–HR and its' influence in competencies required from the HR profession, the study revealed that e–HR has the potential to push the competence requirements of HR professionals to demand more business and expertise skills. Hussain, Wallace and Cornelius (2007: 75 & 84–85) tried to shed a light on their quantitative study to the impact of IS on HRM and on HR professionals, the research

showed that HRIS usage had a strategic nature and it improved the status of HR professionals within the organization. Haines III and Lafleur (2008: 525 & 534–535) analyzed the linkages between IT use and HR roles and HR effectiveness, the result illustrated that through automation HR professionals have an opportunity to grasp the strategic role they so pursue. Kassim, Ramayah and Kurnia (2012: 603 & 616) studied in their quantitative study antecedents and outcomes of HRIS in Malaysia, they found that IT could act as a medium to provide value for both HR professionals and organizations.

Some other topics of interest in e-HRM research are the e–HRM's implication to the recruitment function, the security concerns and the future studies. According to Strohmeier (2007: 26) the major body of research on e–HRM influence to HR activities is focusing on recruitment and selection. Girard and Fallery (2010: 2 & 11–12) reviewed through resource based view and social network theory can Web 2.0 practices reveal new e–recruitment strategies. Their exploratory study in France showed a change in e–recruitment approach from transactional to relationship based, for example interest in applicant relationship management. Chapman and Webster (2003: 113 & 119) studied the factors, the goals and the outcomes of HR technology on recruitment and selection, they found that traditional and technology based factors are used still side by side in most organizations. Zafar (2012: 7–8) on the other hand analyzed e–HR and HRIS linkages to the security concerns and created a framework to handle upcoming security issues. Tansley and Newell (2007) studied the narratives of IS and HR managers in their case study to find evidence on the influence of politically oriented public and private rhetorical activities. Martin, Reddington, Reddington and Sloman's (2009: 370 & 376–377) used scenario building techniques to discover the potential of Web 2.0 for HRM and as a result formed suggestions for organizations to experiment with Web 2.0 in intra–organizational communication. Another future oriented study is Heikkilä's (2010) Delphi study on the future directions of e–HRM, where he used Delphi technique to get insights from HRM professionals and researchers on possible future developments in e–HRM field. Additionally there have been conducted reviews on the current state of e–HRM research by authors like Strohmeier (2007) and Bondarouk and Ruël (2009).

To draw the section together, one can say that the most researched topics in e–HRM studies have been strategic, implementation and outcome related research. Also the impact to HR profession has been discussed extensively compared some other topics. Recruitment has gained most interest of HR functions in e–HRM research. In regards of the results of this review, there is need for additional research in the micro–level issues, giving some justification for the chosen study interest. In order to fully understand the issues surrounding the topic, the next section discusses the issues surrounding e–HRM implementation.

2.3 Implementation of e–HRM

2.3.1 Drivers

Current two–level HR function (HR and line managers) is suggested to be stiff, lack of innovativeness and as a result falling behind in efficiency and effectiveness compared to the multi–level e–HRM solutions that challenges the conventional HRM infrastructure by taking into consideration the influence of contingencies through decentralization of HR responsibility (Strohmeier 2009). Reasons behind this statement can be driven from earlier comments that HR needs to become more like a strategic partner, to create value and to align with other business functions and with external environment (Ulrich 1997: 318; Ulrich, Brockbank, Johnson & Younger 2007: 1–2; Ulrich, Younger & Brockbank 2008: 830). Martin and Reddington (2010: 1555) see two approaches for HR strategy outside–in, where HR strategy derives from business strategy, and inside–out which sees HR strategies potential to affect and even drive the development of business strategies. Enforcing the inside–out view, HR can help creating a competitive advantage through disruptive technology and knowledge, taking advantage of economies of scale in exploitation of existing knowledge and developing customer perception on HR (Martin & Reddington 2010: 1558). HR is able to adjust different resource flows inside the company, thus it has a pivotal role in developing capabilities which can result into above normal returns (Parry 2011: 1147–1148). According to Ulrich and Brockbank (2005: 3) development of capabilities should be done jointly within companies.

This has a fundamental effect on e–HRM strategy, for example, Strohmeier (2007: 34) presents e–HRM phenomenon as an innovative development of HR and a source of major change, which is going to leave a permanent mark on HR. Although, it is argued e–HRM being strategic is an outcome of strategic HR and not the other way around (Marler & Fisher 2012: 14; Ruël et al. 2004: 369). Its' key mission is to ensure efficient information flows inside the company, thus have a potential to create competitive advantage and aligning HR function with the business strategy (Martin & Reddington 2010: 1553). This value chain has begun to change the way HR operates, presently the push is towards HR self–service with more personal and interactive content and services (Martin & Reddington 2010: 1554). Also it has been argued that e–HRM allows HR professionals to improve their organizational contribution and elevate their role as internal consultants (Bondarouk & Ruël 2009: 509). As a result being in line with Ulrich's earlier demand. This trend shifts the HR responsibility into the hands of line managers and employees (Strohmeier 2007: 20). Furthermore e–HRM has the potential to connect the whole company together and fosters communication across functional and national boundaries (Martin & Reddington 2010: 1554; Marler & Fisher 2012: 4; Ruël et al. 2004: 365; Strohmeier 2007: 20).

As shown from above, e–HRM strategy derives from HR strategy, therefore it is essential to identify the drivers of e–HRM adoption since it gives the basis for defining the goals of e–HRM and furthermore presents later on a change to reflect if the implementation was successful. Yeung and Brockbank (1995) saw as the drivers of e–HRM investment the need of HR to reduce costs, improve service quality and foster cultural change (Shrivastava & Shaw 2003: 203 cited Yeung & Brockbank 1995). Lepak and Snell (1998: 231) on the other hand described, as the driving force for e–HRM implementation the search for HR to become more responsive, adjustable, cost–effective and strategic. Ruël et al. (2004: 372–373) added that e–HRM is linked with the aims for globalization and shared HR process (standardization), its' goals are therefore to improve efficiency, service and strategic orientation (Ruël et al. 2004: 369 & 373; Strohmeier 2009: 528). Also Parry (2011: 1159) mentions the need to develop HR's strategic orientation. Although Ruël et al. (2004: 374) later question, can the quality and the efficiency of HR service be improved simultaneously. They also ignore the cost

reduction goal in short term and think it as more like part of selling speech for e–HRM systems (Ruël et al. 2004: 374). Martin and Reddington (2010: 1564) also included as a driver of e–HRM the intention to create common corporate identity. So far there is evidence that cost cuts have been the most dominating driver for e–HRM (Bondarouk & Ruël 2009: 508).

Ruël et al. (2004) noted also changes in external environment like the change phenomenon in employment relationship, supply shortage in the labour market, the individualization of society and the increased educational level of citizens are just some of these drivers. This has shifted the power in the employment relationship to the direction of the employees, thus desire to control their own career paths drives the change (Ruël et al. 2004: 367.). Boston Consulting Group (BCG) and European Association for Personnel Management (EAPM) report (2007: 3) give evidence that at least in Europe companies are facing talent shortages, loss of capacity and knowledge due retirement and ability respond to pressures (increased complexity and speed) generated by global economy. e–HRM can give tools for companies to respond to these trends (Ruël et al. 2004: 367).

Ciborra (2002) mentioned as a driver of e-HRM the pressure to imitate which has in many cases been the main driving force behind expansion in technological innovations (Bondarouk & Ruël 2009: 509 cited Ciborra 2002). Also social pressure and general acceptability that IT equals cost efficiency drives IT investments forward (Strohmeier 2007: 29). CedarCrestone (2010: 2) survey shows evidence of this by indicating that organization are starting to benchmark each other in e–HRM adoption. Martin and Reddington (2010: 1554 & 1569) see as the latest extension in HR transformation the use of Web 2.0 technologies and its potential to develop organization's social capital. Martin and Reddington (2010: 1559) conclude that decisions in HR strategies and policies are the strategic drivers of e–HR, whether its transactional or transformational goals. Marler and Fisher (2012: 3) supported Reddington's (2010) earlier statement by arguing that organizational goals influence IT in design and implementation.

Table 2. Summary of drivers.

Cost & efficiency (transactional) Drivers	Strategic (transformational) drivers
• Cost reduction • Cost–efficiency • Improving communication • Elevate HR professionals' role • Improving HR service quality • Social pressure • Alignment with internal and external environment (cross boundaries) • Improving HR flexibility • Improving HR responsiveness • Pressure to imitate	• HR strategy and organizational goals • Need for HR to be a strategic partner • HR value creation • Cultural change • Common corporate identity • Standardization • Globalization • Changes in external environment • Social capital development

To conclude this section, drivers of e–HRM (see table 2.) derives from pressures linked to HR and also in many cases pressures that are coming from wider institutional and micro-environment of the company. Following section focuses on the implementation process of e–HRM.

2.3.2 Implementation process

This paper presents the e–HRM implementation process through Strohmeier (2007) a framework (see figure 1.). It evaluates the context of e–HRM from both micro and macro perspective. e–HRM configuration consists of actors, strategies, activities and technologies in micro and macro level and finally the consequences of e–HRM implementation in micro and macro level are considered. (Strohmeier 2007: 21.) Strohmeier's model in this research is extended to take into consideration also in micro level the micro–political issues and in macro level the institutional issues since Rupidara and McGraw (2011: 179) argue that actors implementing HR systems are facing pressures from both these environments.
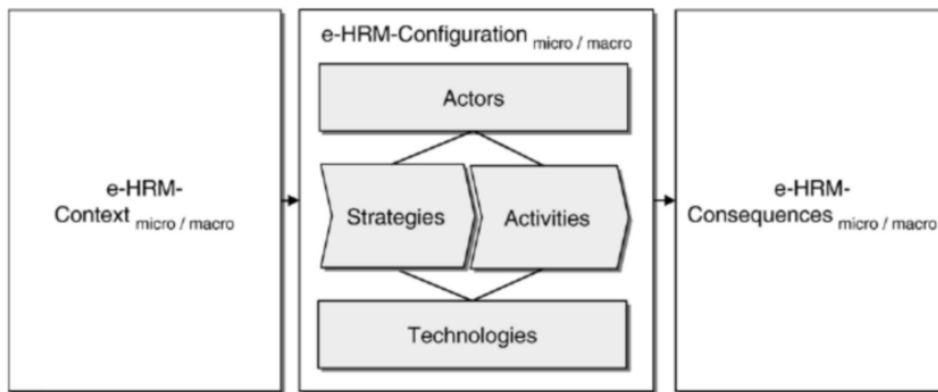
Figure 1. Storhmeier's e–HRM framework. (Strohmeier 2007: 21)

e–HRM context

Earlier drivers section described macro and micro level issues that push e–HRM implementation forward. The next phase is the analysis of the micro/macro context where e–HRM implementation is done (Strohmeier 2007: 21; Shrivastava & Shaw 2003: 204; Ruël et al. 2004: 366). Analysis can reveal issues like availability of computers and level of IT skills (Ruël et al. 2004: 376; Strohmeier 2007: 21), attitudes of individuals and the influence of organizational culture (Strohmeier 2007: 21). Also Ruël and van der Kaap (2012: 276–277) found evidence that e–HRM adoption was positively influenced by micro–level contextual factors such as facilitating conditions, data quality, HR competence in IT and HR policy–practice alignment. As a result, Martin and Reddington (2010: 1570) recommend doing a gap analysis between present and desired situation in every stage of e–HRM implementation.

Also the intra–organizational dependence between HQ and the subsidiary have an effect to the micro–political environment of the subsidiary (Rupidara & McGraw 2011: 176). Hence subsidiaries are battling over shared resources and legitimacy within the MNC (Ambos & Birkinshaw 2010: 450), which then determine the level of influence the subsidiary has during the e–HRM implementation process (Rupidara & McGraw 2011: 176). In this process the local institutional environment, like the local laws and norms can serve as a source of power in implementation negotiations (Rupidara & McGraw 2011: 179). For example HR managers are taking advantage their local professional networks to interpret the regulative and the cognitive environment affecting the HR delivery choices (Rupidara & McGraw 2011: 181). As a result Strohmeier (2007: 21)

pushes companies to make constant analysis of the variables in micro and macro level to be able to respond to the needs of both environments and thus be proactive in development of their HR delivery. From this analysis relevant stakeholders can form with the desired outcomes in mind their initial approach to e–HRM (Ruël et al. 2004: 366–367). The broadness of the analysis is constrained by available time and information quality (Shrivastava & Shaw 2003: 204–205).

e–HRM configuration

In configuration stage, "actors" evaluate, who are the people involved in planning, implementation and using e–HRM systems. Martinson and Chong (1999) argue that each relevant stakeholder should be given a change to be involved in the decision–making process (Shrivastava & Shaw 2003: 205). Thus e–HRM should be developed in cooperation between HR professionals, line managers and employees to address the different needs of the parties (Bondarouk & Ruël 2009: 510). These are the people together with HQ representatives, who should negotiate and as a result find an acceptable solution between the institutional pressures of local environment and HQ needs (Rupidara & McGraw 2011: 179), thus enforcing the importance of micro–political negotiations. Otherwise there is a danger that if the differences in perception of e–HRM system are not taken into consideration in system design phase, it may lead to misunderstandings and lack of usage when the system is operational (Bondarouk & Ruël 2009: 510). As a solution, Shrivastava and Shaw (2003: 205–206) suggest that for the analysis a special team should be selected to involve cross–functional capabilities from areas like HR, legal, IT and business, also using external consultants is common. Also Bondarouk and Ruël (2009: 505–506) confirm that e–HRM projects are handled today by cross–functional teams.

Also HR can have affect to external relationships through shared experiences in fostering build of intellectual capital, social capital and the communities beyond the boundaries of the firm (Lengnick–Hall & Lengnick–Hall 2006: 189–191). To develop a competitive advantage from IT implementation, organizations need talent in their internal and external networks (suppliers), thus the role of HR is crucial in keeping and developing the talented workers throughout the supply chain focused on ensuring

successful IT implementation process (Lengnick–Hall & Lengnick–Hall 2006: 186). Thus beside chosen HR strategy, HR's technological capability and competence, and competence in business management have an effect to the e–HRM architecture that the company adopts (Martin & Reddington 2010: 1559–1560). These matters regarding talented people emphasize the influence of the local institutional environment to e–HRM implementation, like for example with good cooperation and integration with local universities companies can reduce the risk of talent shortage and as a result provide an advantage to the company, such as Morgan and Kristensen (2006: 1485) and Festing and Eidems (2011: 167) intended. Therefore managing complex relationships is the key challenge to e–HRM to ensure internal and external fit between organization and its' external co–operators (Lepak & Snell 1998: 221). As a result e–HRM is a multilevel phenomenon, beside the micro level actors searching and sharing information, there are also macro level actors like groups, organizational units, even the whole MNC involved in e-HRM (Strohmeier 2007: 20). Therefore it can be argued that also the institutional actors have an influence in HR system decisions (Rupidara & McGraw 2011: 178–179).

Strategies

Strategies mean setting objectives and a plan for e–HRM implementation (Strohmeier 2007: 21). It is clear that the HR and e–HRM strategy drive the e–HRM implementation (Ruël et al. 2004: 367). For example HR is able to adjust different resource flows inside the company, thus it has a pivotal role in developing capabilities, which can result into above normal returns. This increases the importance of HR development and implementation. Hence through successful management of HR delivery in more efficient and effective manner can support the creation of a competitive advantage. (Parry 2011: 1147–1148.) According to Lin (2011: 237) e–HRM to be successful needs integration with the business strategy throughout the firm in order to gain efficiency advantages, also beside the strategy, the organization structure must be adapted to the changes in both HR delivery and in the environment. In this process decision makers are simultaneously constrained and shaping their social and institutional context by their actions concerning HR configuration (Rupidara & McGraw 2011: 178–179). Even though the importance of strategic alignment is recognized, still many organizations

forget to link the HRM strategy with the selected e–HRM solution or the goals of e–HRM implementation are defined poorly (Ruël et al 2004: 374). Therefore Ruël et al. (2004: 379) argue that organizations should invest enough time in preparing a proper e–HRM strategy, clear goals and plans make it easier to define the advantages of e–HRM to the potential users.

Technologies

Technologies involve around the decision, which technological solution is right for the organisation (Strohmeier 2007: 21). These decisions are closely related to the drivers of e–HRM like globalization and standardization as Ruël et al. (2004: 372–373) suggested earlier and also they can be constrained by such institutional embedded things like local regulatory or cultural environment, for example when deciding about the system's user language (Heikkilä & Smale 2011: 308–310; Smale & Heikkilä 2009: 162–165). As an outcome of the analysis company needs to define which path is best for them between the two alternatives. The choices are process–driven or technology driven approach, the first choice forces the technology to adapt resulting into some stage of customization of software which is though to be more expensive, and the alternative choice prefers HR function to bend in the requirements of e–HRM technology solution which is seen to put the present HR delivery under scrutiny (Shrivastava & Shaw 2003: 204–206.).

Other decision is the spread that technology has over HR, choosing between two extremes a singe function best of breed solution or integrated enterprise wide solutions which enforces the company towards shared culture and standardization (Shrivastava & Shaw 2003: 208). As a result firms that adopt the technology–driven approach favor standalone solutions, usually these organizations are agile in their nature and those that adopt the process–driven approach favor enterprise–wide solutions, common characteristics for these firms are the emphasize on standardization of processes and shared culture (Shrivastava & Shaw 2003: 208; Lengnick–Hall & Lengnick–Hall 2006: 179). Ideal state is when these choices involve minimal reengineering in both HR activities and technology (Shrivastava & Shaw 2003: 207). Outcome of these aforementioned decisions determinate the labor structure and the capabilities needed in operating the e–HRM system in organizations (Lin 2011: 238).

Also above–mentioned decisions regarding e–HRM technology and the drivers define the requirements that a company expects from e–HRM system and thus helps in mapping the possible vendors for the system (Shrivastava & Shaw 2003: 204). These vendors and the software should be ranked in such terms as cost, functionality, security, how they match with company needs, the compatibility with existing legacy systems and technical know–how needed for implementing and operating the system (Shrivastava & Shaw 2003: 206). Bondarouk and Ruël (2009: 508) argue that off–the–shelf e–HRM applications promoted by vendors and consultants hinder any possibilities to capitalize organization's unique features and hence achieve the competitive advantage.

Activities

Activities are the HR processes that e–HRM tries to influence. This is not without consequences since HR is highly institutionally embedded and thus hard to integrate into MNC wide systems (Smale & Heikkilä 2009: 155 cited Tayeb 1998). HR activities can be categorized in transactional, traditional and transformational HRM or like Lepak and Snell (1998) defined in operational, relational and transformational HRM (Ruël et al. 2004: 368; Lepak & Snell 1998: 219–220). Operational HRM is linked to basic administrative HR tasks (Lepak & Snell 1998: 219; Ruël et al. 2004: 368; Shrivastava & Shaw 2003: 203). Relational HRM is linked with HR tools like HR intranet to support HR activities like recruitment, training, performance management and rewards (Lepak & Snell 1998: 220; Ruël et al. 2004: 368 & 371; Shrivastava & Shaw 2003: 203). Transformational HRM is associated with already described HR's aim to become strategic through involving in decisions regarding organizational change, strategy formulation and developing firm's strategic resources and capabilities (Lepak & Snell 1998: 220; Ruël et al. 2004: 368; Shrivastava & Shaw 2003: 203). In MNCs the choices regarding HR activities that should be integrated into e–HRM system are evaluated and negotiated by HQ and subsidiary HR representatives (Smale & Heikkilä 2009: 157). Thus configuration process is influenced by dynamic interactions among actors, who are comparing the alternatives against their personal and shared interests and goals (Rupidara & McGraw 2011: 177). Similar way Ruël et al. (2004: 368) advice

organizations to decide which services in their point of view are better to be handled face–to–face or alternatively through e–HRM solutions. This way understood e–HRM is just a new approach to deliver HR services in organizations (Ruël et al. 2004: 368; Ulrich & Brockbank 2005: 2).

e–HRM consequences

The consequences of e–HRM adoption are the outcomes of earlier decision in micro (satisfaction & acceptance) and macro level, these can be either positive or negative functional or dysfunctional consequences (Strohmeier 2007: 21; Martin & Reddington 2010: 1562). Furthermore Martin and Reddington (2010: 1562) point out that perceptions are always subjective to the viewer. Gueutal and Stone (2005: 228) claim that based on the latest research and theory, cultures which share Western European values will accept and get better results from e–HRM solutions. This finding could indicate that institutional similarity has a positive effect to the outcome of e–HRM implementation.

e–HRM will push the responsibility of implementing HRM to line management and employees, also IT can streamline processes and have positive effects to the HR's administrative burden (Lepak & Snell 1998: 219; Ruël et al. 2004: 377). Also increase of automation in services will result into cost savings and productivity increases and therefore into a shift from labor to technology–intensive HR (CedarCrestone 2010: 2; Strohmeier 2007: 27). This is especially true in areas like operational HR and information processing due less need of HR staff, therefore the costs have shrunken (Ruël et al. 2004: 371; Shrivastava & Shaw 2003: 217; Strohmeier 2009: 535). Regarding e–HRM's aim to be cost–effective, it is unclear whether or not the administrative time has actually shrunken or has it just transferred to line managers and employees (Strohmeier 2007: 28). Parry (2011: 1158–1159) also found no evidence on cost savings from reduced HR headcount due e–HRM adoption. Furthermore Martin and Reddington (2010: 1564) saw no short–term cost benefits from e–HRM implementation since benefits did not exceed the implementation costs during the first two years.

If one is to consider the aspect of relational e–HRM, HR intranet with improved precision and service level has altered the way HR is experienced in organizations and also fewer HR people are required since employees and managers use the HR tools (Lepak & Snell 1998: 220; Shrivastava & Shaw 2003: 203; Ruël et al. 2004: 371 & 378). Examples of the change are having constantly up to date information available, opportunities to discuss HR matters online, more support in flexible working and possibilities for personnel to influence on their career paths (Ruël et al. 2004: 376 & 378). Martin and Reddington (2010: 1560) agreed with the previous comment and added that beside electronic HR service center have the possibility to change the HR delivery, it can also in some cases pre–determine the way HR professionals do their work due lack of flexibility in the systems. Strohmeier (2007: 26) notes that e–HRM adoption may result to improved acceptance and satisfaction through more accurate search results and occurred timesaving. Even though because of e–HRM solution less HR professionals are needed in operational HR activities, there is still demand for HR staff to renew the tools for the fluent intranet based use (Ruël et al. 2004: 371). Therefore IT also increases the opportunities to develop HR tools that would not be otherwise possible such as personal assessment and measurement tools (Ruël et al. 2004: 379).

e–HRM also creates dysfunctional consequences, for example there is evidence on line managers' growing workload and increased negative attitudes towards HR professionals (Martin & Reddington 2010: 1567). There should be an opportunity to address these concerns during micro–political negotiations. Ruël et al. (2004: 375) add as a downside of e–HRM that it may generate a new profession in assistance to use e–HRM system. Also Gueutal and Stone (2005: 236) found dysfunctional consequences of e–HR in recruitment and selection like lack of computer availability, lack of computer skills to access to the recruitment sites and problems in verification and updating data. Also data maybe limited in its' nature, presented in a simplistic way and shared without the applicant being aware of it (Gueutal & Stone 2005: 242). This has also implications for the organization (Gueutal & Stone 2005: 243). Furthermore online tests used in recruitment and selection have a moral hazard problem since applicants can have outside help with filling the questionnaires (Gueutal & Stone 2005: 243).

In performance management reported dysfunctional consequences of e–HRM adoption are related to danger of depersonalizing feedback, decrease in social support, building personal relationships is slower and the understanding of contextual information diminishes (Gueutal & Stone 2005: 246). Also employees might react negatively on electronic performance monitoring and think that these systems neglect some aspects of performance. Danger is also that these systems are experienced as invasive for the privacy (Gueutal & Stone 2005: 246). Also Ruël el al. (2004: 378) found that institutional issues like security of private information and cross–cultural matters are sensitive in e–HRM implementation. Managers might also face information overload issues (Gueutal & Stone 2005: 247; Ruël et al. 2004: 375). The system may also fail to deliver information on interpersonal and organizational citizenship behavior (Gueutal & Stone 2005: 247).

In the end the success of adoption of e–HRM solution depends on the willingness of line managers and employees to take over the responsibilities that used to belong to HR personnel (Ruël et al. 2004: 375 & 379; Martin & Reddington 2010: 1561 & 1567). Although Koch (2002) point out that it is challenging to change people's behavior (Shrivastava & Shaw 2003: 206). As a result e–HRM can be irritation if the needs of HR, line managers and employees are not met (Ruël et al. 2004: 379). This can happen when the results do not meet the intended goals, when the implementation path is not clear or when the transformation is too technology–driven (Ruël et al. 2004: 379). Also critical for the process is the top management support (Marler & Fisher 2012: 17; Lin 2011: 252), clear HRM objectives regarding the implementation and the recognition of the need for organization to have change management capabilities to overcome the resistance towards the intended change (Marler & Fisher 2012: 17). Ruël et al. (2004: 379) added that also the acceptance of HR professionals is a key for the success.

As obstacles of successful implementation, based on the evidence from the case studies, Martin and Reddington (2010: 1561) identify neglecting line managers needs, unclear division of responsibilities between HR and line managers, insufficient amount of training, lack of support from HR and problems due the change in working methods from face–to–face to virtual (Martin & Reddington 2010: 1561). To ease the adoption

of e–HRM, companies should pay a special interest in developing the interface as intuitive as possible (Ruël et al. 2004: 375). Furthermore Shrivastava and Shaw (2003: 212) suggest as solutions for increasing user acceptance, e.g. increasing communication, empowerment of employees into the process, training and integrating reward systems to the process. Other authors have also noted the importance of training (Martin & Reddington 2010: 1567; Strohmeier 2009: 536). Bondarouk and Ruël (2009: 507) see implementation of e–HRM as a process of adoption and utilizing the system by organization's members. Ruël et al. (2004: 375) noticed that users do not fully adopt and learn to take advantage the full potential of e–HRM solution. Thus technology needs to be sold and incorporated into day–to–day working routines otherwise it will fail (Ruël et al. 2004: 376).

Simplifying the implementation process into steps, Martin and Reddington (2010: 1569–1570) present the e–HRM implementation in five cycles (theorizing, promoting, involving, integrating and evaluating). Their model (see figure 2.) illustrates more dynamic connections with chosen e–HRM strategy, e–HRM technologies (including social media driven technologies) and technological capabilities of the personnel (managers, employees and HR) into e–HR architecture (Martin & Reddington 2010: 1555 & 1570). This model has five cycles combining e–HR strategy, e–HR architectures and the evaluation on what extend the adopted system has been able to meet stakeholders' needs (Martin & Reddington 2010: 1569).
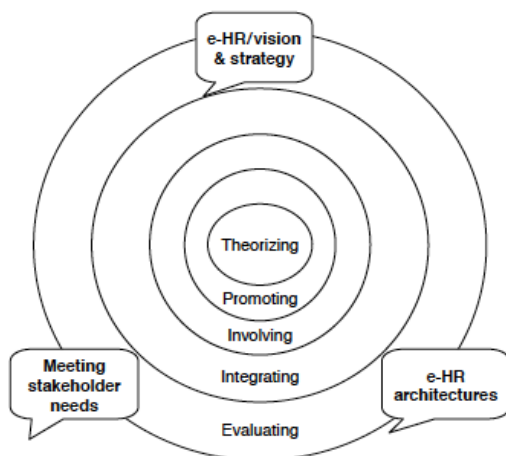

Figure 2. e–HR as the implementation of cycles. (Martin & Reddington (2010: 1570)

The first cycle "*Theorizing*" is laying the ground for the change, this involves getting the support of senior and line managers by sharing the vision and the potential benefits of E–HRM for the different stakeholders (Martin & Reddington 2010: 1569). "*Promoting*" is related to marketing the vision, architecture and the potential of the system to the organization's change agents (Martin & Reddington 2010: 1570). "*Involving*" is concerned on extending the responsibility of implementation as widely as possible in the organization. "*Integrating*" the new system with older legacy systems and seeing that users get value from the system. "*Evaluating*" is reflecting the vision's promise with the actual outcomes of the system implementation. (Martin & Reddington 2010: 1570.)

As a result this paper have so far presented the drivers of e–HRM, linked them with the implementation process and illustrated some of the micro and macro level consequences. The last section has also showed some evidence on the implications that e–HRM adoption faces from both institutional and micro–political side. This trend will continue in next sections, which are considering the implementation from MNCs and consultants' perspective.

2.3.3 Implementation in MNCs

The complex international environment with numerous pressures, like the subsidiary's institutional environment, have its' own implications to HR system implementation in MNCs (Rupidara & McGraw 2011: 175). e–HRM systems, in general, force MNCs to think their different functions' interconnectedness in terms of information and processes (Shrivastava & Shaw 2003: 207). Therefore even though IT has the potential to push HR into global integration and to support MNC's international strategy (Strohmeier 2007: 28 cited Hannon et al. 1996), MNCs are also forced to think choices between central governance and local autonomy in HR practices as a result of these pressures to gain legitimacy in their environments (Rupidara & McGraw 2011: 175 & 178). This is conflicting with Ruël et al. (2004: 373) earlier study which presented evidence on MNCs aim to standardize HR policies and practices through e–HRM. Shrivastava and Shaw (2003: 205) point out that larger firms prefer decentralized modes of corporate governance over their subsidiaries through enterprise wide systems such as ERP.

Global standardization is difficult to achieve since MNCs are complex institutional environments themselves. For example, Martin and Reddington (2010: 1571) argue that considering contextual issues in HR changes are utmost relevant in MNC cases, especially in part of the organizational context which refers to institutional and cultural distance between the parent company and the subsidiary. Therefore it would be vital that powerful line managers, who are acting as opinion leaders in subsidiaries, should be involved in the MNCs implementation process in order to achieve broad support for the transnational HRM practices (Festing & Eidems 2011: 170). Martin and Reddington (2010: 1571) comply with the importance subsidiary managers' attitudes towards the intended change and add that the present level of alignment in practices between the subsidiary and HQ is also important for the success (Martin & Reddington 2010: 1571). Furthermore Strohmeier and Kabst (2009: 495–497) as well came to a conclusion that configuration of HRM in MNCs is a relevant variable in e–HRM adoption.

Another important area in implementation is the relational context, which concentrates on HQ managers' attitudes towards the subsidiary staff and how depended the subsidiary is from HQs resources (Martin & Reddington 2010: 1571). In this context the subsidiary HR managers need to balance with the possibly conflicting interests of HQ and the subsidiary (Rupidara & McGraw 2011: 181). Rupidara and McGraw (2011: 177) further argue that this dynamic micro–political interaction works in both ways and therefore actors are viewing things through their own unique set of perceptions.

To conclude, e–HRM implementation is a multilevel phenomenon in MNCs, which requires constant analysis of the institutional and micro–political environment since organizations are socially embedded in their context and this phenomenon will further be discussed in-detail in the chapter 3. Next section evaluates the role of consultants in IT implementation projects as there exists no previous research focusing particularly on the role of consultants in the e-HRM implementation projects.

2.3.4 Role of consultants

Nowadays there are numerous consultancy instances providing IT consultancy service to the possible clients (Kubr 2002: 412). It is argued that use of consultants in projects

makes managers to look more professional and knowledgeable (Kitay & Wright 2004: 3). Consultancy services can assist IT projects in analysis of the business needs, recommending suitable software, and managing the implementation (Thong, Yap & Raman 1994: 211; Kubr 2002: 286 & 290). For example an experienced consultant can use his expertise to forecast and prepare organizations against possible problems (Kubr 2002: 286). Although Kubr (2002: 9) note that the final responsibility over the decisions should still be in hands of the client. Consultants and the client should invest enough time in the analysis phase to map the needs and the relevant stakeholders of the project (Kubr 2002: 295), since difficulties arise when the client and the consultant have conflicting opinion on what is required in the task (Kitay & Wright 2004: 15). Kubr (2002: 16 & 285–286) adds that beside expertise service, consultants can help clients to network with the right key players for the project and help in planning the implementation.

This role of a networker between the client and the supplier has generated a new business model, where consultants are simultaneously serving the client and the supplier when recommending possible technology solutions (Kubr 2002: 285). This emphasizes the boundary spanner role of consultants, connecting two different organizations together (Kitay & Wright 2004: 4). In the field of e-HRM, Smale and Heikkilä (2009: 161–162) found that consultants in e–HRM implementation negotiations can be simultaneously serving HQ interest and their own agenda without the knowledge of the local constrains. Also these researchers found that lack of HR knowledge gave to the subsidiary HR managers' additional power in system design negotiations (Smale & Heikkilä 2009: 162). Thus conflicts are bound to emerge when these parties exploit their power over each other (Kitay &Wright 2004: 16). Therefore it is suggested for the consultants to know the individual preferences and the cultural and other implications affecting the decision–making process in the client organization (Kubr 2002: 227). Also Rupidara and McGraw (2011: 181) argue that consulting firms are powerful influencing forces in institutionalism by providing services that are utilizing their branded tools and frameworks based on similar ideas, thus promoting the institutional isomorphism. In similar vein Kubr (2002: 413) warns that in e–HRM projects organization should prefer specialist HR consultants over IT consultants since the latter in many cases recommends too sophisticated and expensive software compared to the needs of the client. Also

Kitay and Wright (2004: 3) note that sometimes consultants are using managers' lack of knowledge to sell the currently hyped management tools. As a result Bondarouk and Ruël (2009: 508) argue that consultants pushing same kind of solutions to each client erode the possibility to acquire a competitive advantage through e–HRM.

Previous section considered the role of consultant in IT projects and also some issues related to the theme from micro–political and institutional side were elevated. The next section ponders e–HRM adoption's strategic influence on, Lepak and Snell (1998: 220) and Ruël et al. (2004: 368) previously mentioned, transformational HRM and reflects it against Ulrich's (1997: 318) demand for HR to become a strategic partner of the business.

2.4 "Strategic partnership"

On transformational level the target is on the strategic nature of HRM, Shrivastava and Shaw (2003: 204) thus point out that e–HRM should eliminate the bureaucracy and have an impact on the organization's structure. The focus is on activities regarding organizational change processes, strategic re–orientation, strategic competence management, and strategic knowledge management, in generally speaking activities that add value (Ruël et al. 2004: 368; Parry 2011: 1146 & 1158). Although Shrivastava and Shaw (2003: 218–219) argue that HR should elevate itself in phases, first attempt to establish its' credibility by successfully responding to the operational and relational drivers and only then attempt to drive forward the culture change.

On the other hand the selected primary role of HR function defines the development direction and hence like in many cases, if the role is administrative it is likely not going to yield any competitive advantages from e–HRM adoption (Marler 2009: 518–519 & 525). Marler (2009: 525) further continues that HR and e–HRM being strategic, HR function should be thought as strategic and thus as a source of competitive advantage. Transformation requires fundamental internal change on how HR is delivered in order to develop resources and capabilities into sources of strategic advantage. Resource based view thus suggests doing things in unique way which combined with social process and path dependency will result into hardly imitable advantage. Hence

customized e–HRM system can support in creation of a competitive advantage unlike any best practice applications. Interestingly, Parry (2011) found a link in organizations which had used e–HRM in strategic purposes, normally had an experienced HR manager (Parry 2011: 1158). Although in many times due HR's primary role being administrative or because of social forces, like management inertia or skepticism, can erode any changes to achieve competitive advantages through adoption of e–HRM technology. (Marler 2009: 520–525.)

Additionally it is argued that IT has created a paradox around its' strategic benefits, this accelerates imitation and thus diminishing any changes for a competitive advantage (Lin 2011: 240). Hence Bondarouk and Ruël (2009: 509) argue that firms should think their motives and if the motive is imitation, they question how these companies are going to yield any competitive advantages out of e–HRM? If this is not the case, Ruël et al. (2004: 376) list as the most important benefit of the system the strategic integration of HRM with the company strategy, structure and culture, hence e–HRM role in this is to ease the centralization and standardization of HR policies and practices and decentralizing their implementation. In general level there is supporting empirical evidence suggesting that a tighter fit between HR competencies and business strategy leads to superior performance (Ruta 2009: 574). Although Strohmeier (2007: 24) criticizes this view by arguing that the evidence considering the relationship between e–HRM strategy and business strategy is still insufficient.

Above described development of transformational e–HRM increases the need for strategic HRM specialists, which are able to form strategic HRM plans and support business decisions (Ruël et al. 2004: 369–371; Lepak & Snell 1998: 230). Also Bell, Lee and Yeung (2006: 300–301) agree in demand for HR talent in areas like business, functional HR delivery and technology know–how. Despite of e–HRM's potential, Marler and Fisher (2012: 1, 13 & 16) found extremely weak empirical evidence on e–HRM ability to influence in HRM strategic outcomes. Marler and Fisher (2012: 2) argue that without hard evidence on the strategic nature of e–HRM, investment decisions are made without a clear picture on the potential outcomes of these systems. Then it is possible that organizations fall into vendor's claims that e–HRM is strategic and potentially failing to measure it by themselves (Marler & Fisher 2012: 16). Thus

Shrivastava and Shaw (2003: 218) point out that if the development of transformational side does not accelerate there is a danger that e–HRM regresses to being only a cost cutting tool for companies due responsibility shift of HR work.

To prevent this regression, beside alignment of HR goals with the business needs, IT enables the HR to be proactive against the changes in its environment (Lin 2011: 252–253). These changes could be for example ones presented in BCG and EAPM report (2007: 3), therefore European companies face pressures to develop five capabilities, managing talent, demographics, work–life balance, becoming a learning organization, managing change and cultural transformation, in response to these ongoing pressures. For HR this means mastering following processes, excelling in recruitment and staffing and transforming HR into a strategic partner (BCG & EAMP 2007: 5). Also e–HRM enforces HR professionals to be more capable on information and relationship management (Lepak & Snell 1998: 229). Thus Kovach, Hughes, Fagan, and Maggitti, (2002) note that e–HRM can prove to be for management a decision–making tool rather than just a robust database (Shrivastava & Shaw 2003: 217). Hence e–HRM solutions like HR portals make it possible to build organization wide knowledge resources, monitor and bundle information, as a result allow companies to make information supported business decisions and thus reaching their business goals more efficiently (Bondarouk & Ruël 2009: 509; Lin 2011: 236).

Also e–HRM can respond to these pressures, presented by BCG and EAMP, by developing firms' intellectual capital (Bondarouk & Ruël 2009: 509–510; Lin 2011: 253). Therefore e–HRM has a important role in organizational capital development, affecting structures, systems, processes and databases, and in the future social capital building will be in bigger role through the help of Web 2.0 technologies, together these two have the potential to create new innovations in organizations (Martin & Reddington 2010: 1568–1569). As a result Ruel et al. (2004: 369) add that e–HRM system has the potential to develop organizations' social capital in such areas like high commitment (trust between employees and management), high competence (capabilities to learn new) and high congruence (fair reward system). Thus the role of HR is not to create a dependency between the employee and the HR unit, but to forge a partnership that leads to increased intellectual capital, enhanced commitment, improved adaptability, and

greater awareness of opportunities to make a difference. In its' essence e–HRM is a fundamental change in responsibility and way people experience HR. Thus HR becomes more personal, open and on organizational level it desires to fulfill its' strategic nemesis and hence be a business partner. For HR professional this means a change in attitude and increase in demand to become more customer and business oriented. (Lengnick–Hall & Lengnick–Hall 2006: 187.)

IT and virtual organizations have already in some cases proven to be a useful in fostering open communication culture and turn education and training of employees into creativity and organizational innovation (Lin 2011: 236, 241–242 & 250). Companies are now using Web 2.0 technologies in internal and external communication resulting in structural integration through coordinative effort (McKinsey Quarterly 2008: 1; Lin 2011: 239 & 242). Shrivastava and Shaw (2003: 212) argue that this has an affect to the micro–politics within HR work through increased information availability, influence on the job design and pressure towards more cooperation. As a consequence HR professionals may feel threatened, because loss of information control (Shrivastava & Shaw 2003: 212). On the other hand e–HRM allows organizations to achieve improved performance in HR delivery and HR professionals to focus more on internal consulting (Bondarouk & Ruël 2009: 508–509; Ruël et al. 2004: 370 & 378). The consultancy role has become possible since administrative tasks and positions have continued to diminish (Ruël et al. 2004: 370). This allows HR to focus on strategic goals and to take business partner roles changing the nature of HR work (Ruël at al. 2004: 369; Parry 2011: 1158; Strohmeier 2007: 28).

As seen there are conflicting arguments for and against on e–HRM strategic nature, some evidence even lifting HR to foresee role of a strategic partner. Since e–HRM is argued affecting in things such as structures, delivery, communication and job designs, as a result the importance of regarding employee's attitudes and perception increases and thus enforces the need for cooperation between different stakeholders and elevating the role of micro–politic negotiations. This chapter further presented numerous institutional and micro–political implications regarding e–HRM adoption and the next chapter presents the key theoretical framework of institutional and micro–political environment and in the end unifies these three elements into together.

3. THEORETICAL BACKGROUND

This chapter presents institutional and micro–political theory linked to organizations, and especially concerning MNCs, and e–HRM implementation. Now the reader should be able to link the previously seen institutional and micro–political evidence with the forthcoming theoretical discussion. At the end of this chapter the relevant theory is synthesized and as a result, a model is presented in order to theoretically illustrate the research phenomenon.

3.1 Institutional theory

Institutional perspective attempts to justify the fact that inside industries there are strong resemblances, "isomorphism", in organizational structures and practices between companies (DiMaggio & Powell 1983: 148; Kostova & Roth 2002: 215). Organizations apply approaches designed to conform with the social norms and rituals within the industry, which is facilitated by the external pressures and organizational level interaction (Tello, Latham & Kijewski 2010: 1262). Thus Scott (2001: 48) defines institutions to be tightly embedded social structures composed from regulative, cognitive and normative elements, that provide stability and meaning, and carried by symbolic and relational systems, routines and artifacts. Also institutions can exist in various levels from individual to the global level and these institutions are transforming overtime together with their environments (Scott 2001: 48).

Organizations compete not only resources and customers, but for political influence and institutional legitimacy, to improve their social and economical presence (Dimaggio & Powell 1983: 150). As a result Powell and Dimaggio (1983: 148) argue that powerful forces towards homogenization forge organizations operating in the same field, this long line of rational decisions create eventually an environment that limits their ability to change in the future. Also Kostova and Roth (2002) argue that organizational practices have molded over time by the influence organization history, people, interest and actions and are deeply united with the social context (Kostova & Roth 2002: 216). Therefore institutional theories are mainly interested in the social forces, with the exception of economic forces, that shape the performance of an organization (Marler &

Fisher 2012: 6). Dimaggio and Powell (1983: 149) explain this development through concept of isomorphism, which states that organizations' characteristics are in course of time modified to become compatible with its' environment. Therefore in MNC subsidiaries differ from each other in their strategic configuration on the capabilities they control and the different environments they operate, as a result the value of this configuration determines subsidiary's role (legitimacy) within the MNC (Ambos & Birkinshaw 2010: 453). This way adopting e–HRM can improve organizational legitimacy in certain context (Strohmeier 2007: 29).

Dimaggio and Powell separated isomorphism into three sub–elements of coercive isomorphism, mimetic isomorphism and normative isomorphism (Dimaggio & Powell 1983: 150). Coercive isomorphic pressures originate from formal and informal influence of other organizations like standard reporting systems of the MNC and the cultural expectations like the norms and the legal environment of the society which are more powerful than the MNC (Dimaggio & Powell 1983: 150–151; Kostova & Roth 2002: 216). Mimetic isomorphism derives from uncertainty, when organization faces a difficult problem without clear solutions it easily adopts imitation of others as a solution for the problem (Dimaggio & Powell 1983: 151; Kostova & Roth 2002: 216). This may result innovation diffusion as early adopters success is replicated by others or to avoid the image of being a laggard (Teo, Wei & Benbasat 2003: 20). Normative isomorphism on the other hand is subjected to professionalization, like favoring educated personnel from similar backgrounds and stressing the importance of professional networks (Dimaggio & Powell 1983: 152).

Scott (2001) compiled a set of institutional factors and presented it as institutional pillars (see table 3.) that allow countries to be compared based on their institutional environment (Scott 2001: 51–58; Kostova & Roth 2002: 217). These pillars take regulative (law and rules), cognitive (social knowledge and cognitive factors) and normative (values, beliefs and norms) elements under scrutiny and these factors can directly/indirectly explain what pushed organizations to comply with Dimaggio and Powell's earlier presented isomorphic pressures (Scott 2008: 428; Kostova & Roth 2002: 217). MNCs and their subsidiaries are rather special in this case that in some

instances subsidiaries are not allowed to be as isomorphic as the local organizations (Kostova & Roth 2002: 217; Kostova, Roth & Dacin 2008: 999). Later Kostova et al. (2008: 999) have argued that isomorphism among MNC in cognitive and normative pressures could be neglected to have any influence, only coercive legal pressure have some effect to the MNC behavior and as a result complying with the institutional forces are not necessary for MNC to survive. Also institutional pillars make it possible to evaluate the institutional conditions of the planned implementation, thus some countries may have more favorable institutional conditions than others (Kostova & Roth 2002: 217–218). There has been evidence that favorable institutional environment has a positive effect to the implementation (Kostova & Roth 2002: 227).

Table 3. Institutional pillars. (Scott 2001)

	Pillar		
	Regulative	*Normative*	*Cultural-Cognitive*
Basis of compliance	Expedience	Social obligation	Taken-for-grantedness Shared understanding
Basis of order	Regulative rules	Binding expectations	Constitutive schema
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules Laws Sanctions	Certification Accreditation	Common beliefs Shared logics of action
Basis of legitimacy	Legally sanctioned	Morally governed	Comprehensible Recognizable Culturally supported

Regarding IT implementation, Teo et al. (2003: 39 & 43) found in their study that institutional factors had an significant influence in intentions to adopt IT systems and concluded that organizations are embedded in their institutional networks. Additionally Kostova and Roth (2002: 230) got results that institutional context had an effect to the adoption of the practice. Also institutional factors have an influence to HRM since human behavior and expectations are institutionally embedded (Festing & Eidems 2011: 166). Institutionalized organizational structure, like hierarchy, and HR function serve as a stable causal pattern of behavior, which are taken for granted by members of a social group (Marler & Fisher 2012: 8). Thus institutional elements can be seen to have a symbolic meaning among organizational members (Scott 2008: 429).

Festing and Eidems (2011: 166) recognize that also HRM practices and policies are influenced by local factors like cultural and institutional environment. For example Ferner, Edwards and Tempel (2011: 178) presented some evidence that institutional actor such as German work councils have the power in some circumstances to resist or alter the planned change. Transnational organizations aiming at transnational HRM systems must define an appropriate balance between global standardization and local adaptation (see figure 3.) (Festing & Eidems 2011: 165). Thus context is very influential force in organizational change (Martin & Reddington 2010: 1571 cited Pettigrew 1995; Van de Ven 2007). For example subsidiaries can develop distinctive advantages, which they build out of their connections with the local institutional context (Morgan & Kristensen 2006: 1485; Festing & Eidems 2011: 167). Strohmeier (2007: 29) argues that e–HRM system could be this kind of disruptive technology.
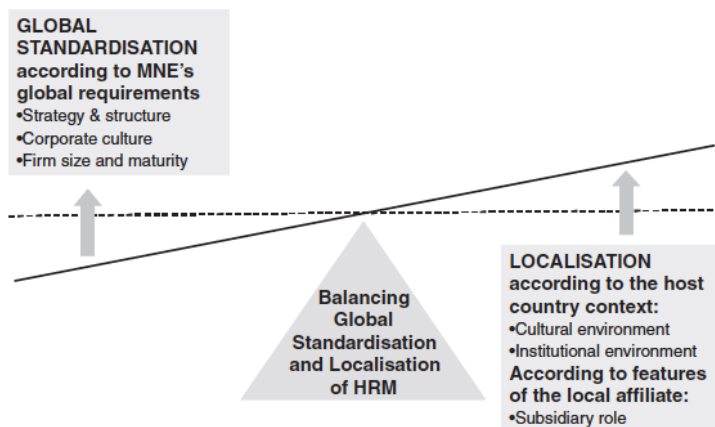
Figure 3. Balancing the standardization and localization of HRM in MNEs. (Festing & Eidems 2011: 166)

The change does not happen easily since MNCs have complicated internal environments with many times conflicting institutional settings among its' subsidiaries and itself, power struggles and other conflicts in things such as interest, values or practices (Kostova et al. 2008: 997). Therefore the global–local relationship is dynamic and the conflict is indeed part of ongoing organizational and strategic adjustment process, thus MNCs should think both global integration efficiency and local responsiveness effectiveness as equal sources of competitive advantage (Schotter & Beamish 2011: 256). Also Kostova and Roth (2002: 215) argue that MNCs need to

reach and maintain legitimacy in all its' environments which require some adaptation with the local institutional environment. The contradictive statement indicates that MNCs are in fact shaping their own institutional environments proactively (Kostova et al. 2008: 1001).

Subsidiaries on the other hand are in the middle of dual challenge of adapting simultaneously to the local environment, and linking itself with the HQ imposed practices that stem from the HQ's institutional environment, since these interest are not always compatible with each other (Ambos & Birkinshaw 2010: 454; Kostova & Roth 2002: 216 & 218). Although at the same time they share a same intra–organizational institutional environment which sometimes could overpower the local institutional forces (Kostova et al. 2008: 998). Kostova and Roth (2002: 216) call this situation as institutional duality. The subsidiary interprets the importance of these pressures forced by the MNC through their relational context, the level of trust, dependence on resources and the identity (the level of attachment subsidiary feels to the HQ) (Kostova & Roth 2002: 218–220). The relational context has been found to have a strong influence to the implementation (Kostova & Roth 2002: 227–288).

As a result Morgan and Kristensen (2006: 1484) predict two alternative outcomes on local–global problems in MNC, first one implies that HQ committed to standardization will gradually suppress the local resistance. The danger in this approach is that internal innovation suffers and thus innovations are searched from external options like from consultants or through new acquisitions (Morgan & Kristensen 2006: 1484–1485). Other alternative approach allows subsidiaries some flexibility in their strategies (Morgan & Kristensen 2006: 1485). Kostova and Roth (2002: 220) add that subsidiary can also do ceremonial adoption, because of institutional and relational pressures, of the practice without believing its' promised value. Although later arguments have showed that MNC and its' sub–units are visible and controlled by HQ through formal/informal measures (Kostova et al. 2008: 1000). Also subsidiary managers are seen to enforce HQ practices, because they are protecting their personal interests (career) (Kostova et al. 2008: 1000). As a result companies should invest in development of the relational context and in the role of subsidiary managers to create more favorable conditions for

diffusion of the practices in MNC (Kostova & Roth 2002: 230).

Institutional environment has been included in e–HRM research by authors such as Ruta (2005), Gueutal and Stone (2005), Florkowski and Olivas–Lujan (2006), Olivas–Lujan, Ramirez and Zapata–Cantu (2007), Strohmeier and Kabst (2009), Panayotopoulou, Galanaki and Papalexandris (2010) and Marler and Fisher (2012). Current e–HRM research has found contradictive evidence on the effect of institutional factors in e–HRM implementation. For example Strohmeier and Kabst (2009: 489–490) claim that institutional differences, like differences in laws, education systems and political systems, between nations have a direct intensifying effect to the level of e–HRM adoption and use. Ruta (2005: 49) argued that implications of national culture (norms and beliefs) should be considered in IT implementation since these have an effect to the attitudes of employees towards the change.

As a result evidence has been found that mimetic–isomorphic pressures affected the decision to adopt e–HRM solutions especially in large firms (Florkowski & Olivas–Lujan 2006: 699; Rupidara & McGraw 2011: 181). For example Olivas–Lujan et al. (2007: 430) found the influence of local technology infrastructure as an explaining factor in the use of e–HRM systems in Mexico. Also Gueutal and Stone (2005: 250) gave a practical advice to consider forehand how various cultures within the organization see the privacy matters. EU has for example common privacy laws that regulate the transfer of private data over national boundaries (Gueutal & Stone 2005: 242; Strohmeier & Kabst 2009: 489). Ruël et al. (2004: 378) found similar evidence as earlier author since Belgian law on publication of private data made restrictions to the e–HRM process. Also professional networks such as consultants and education institutes can act as opinion shapers, since the actors are seeking their expertise help in interpretation of local regulative and normative environment and thus have normative and mimetic influence (Rupidara & McGraw 2011: 181). Contradictive to previous notions Marler and Fisher (2012: 15) found evidence that national cultural imperatives do not seem to have an effect on how e–HRM is being implemented in MNCs. Also Tixier (2004: 428) argued that selecting contextual approach in e–HRM implementation does not always result in realizable benefits among the subsidiaries.

So far in this chapter has discussed about the institutional issues and trying to connect them with the e–HRM implementation. It is evident that still more research is needed regarding institutional matters surrounding the e-HRM phenomenon. The next section looks organizational micro–politics and similarly links it with the e–HRM context.

3.2 Organizational micro–politics

Dörrenbächer and Geppert's defines the micro–political perspective, "*micro–political perspective focuses on evaluating how actors with different targets, needs and identities operate together, without taking into consideration national or functional implications, when there are conflicts of interest. Its main reason is to show the influence of social structures and human relations on decision–making and co–operation* " (Dörrenbächer & Geppert 2006: 255–256). Schotter and Beamish draw the interest on managerial level actors in their definition, "*micro–political perspective is specifically concerned with individual managers and their subjective interests in strategizing, organizing, and interactions between managers across functional and national divisions*" (Schotter & Beamish 2011: 245)

As a result organizational micro–politics can be understood as an attempt to influence on social structures and human relations, thus micro–political conflicts are common in every organization (Dörrenbächer & Geppert 2006: 256). Common sources of micro–political conflicts among individuals and groups, which drive stakeholders into bargaining and compromises, are environmental uncertainty, conflicting goals, variations in perceptions or competition over the scarce resources (Mintzberg, Ahlstrand & Lampel 2009: 244 & 246; Dörrenbächer & Gammelgaard 2006: 279). Also in intra– firm level competition is not simply imposed by HQ, instead it is a result of formal or informal negotiations between actors with different resources and rationales (Dörrenbächer & Becker–Ritterspach 2011: 552). Thus subsidiaries are competing for headquarters' attention to acquire resources, to build up their market mandate, to increase their bargaining power, or try to avoid intervention from HQ (Ambos & Birkinshaw 2010: 450). These conflicts are then a fundamental mechanism of social interactions, which either can unify organization or break it into pieces (Dörrenbächer & Geppert 2006: 256). Therefore it can be argued that micro–politically constructed

conflicts call for addressing the power resources that are at stake for the actors (Mense–Petermann 2006: 316).

According to Bolman and Deal (1997) organizations are in their very nature coalitions of individuals and interest groups (Minztberg et al. 2009: 246 cited Bolman & Deal 1997). These various individuals and groups usually pursue their own interests and goals in organizations (Minztberg et al. 2009: 246; Walter, Kellermanns & Lechner 2012: 1590–1591). For example Minztberg et al. (2009: 244) note that opposite goals of individuals and coalitions shape and alter the intended plans during the decision–making process. Therefore the outcomes of these negotiations tend to be more emergent than deliberate (Minztberg et al. 2009: 252). If companies neglect these views and still push towards their own goals, Birkinshaw and Ridderstråle (1999: 153) argue that this is the manifestation of corporate immune system at work, which tries to for example suppress initiatives that are generated outside corporate HQ, since HQs are ethnocentric, risk and change averse in their nature.

One must also understand that there are also other forces influencing the micro–political environment of organizations, especially influential are the institutional factors infused into the context like local laws and norms of the society (Dörrenbächer & Gammelgaard 2006: 270 cite Benito et al. 2003). Kostova et al. (2008: 1002) claim that for understanding the complex set of institutional forces in MNCs, individual actors are forced to simplify the environment through rules which are negotiated in micro–political setting and the final solution might be favoring one over another. Thus institutional environment can increase the power of certain groups especially in HQ–subsidiary negotiations (Mudambi & Navarra 2004: 399) and that social actors are constantly building new institutions to maintain/improving their own power (Kostova et al. 2008: 1002). As a result the subsidiary autonomy can be reasoned to be part of granted and part of resulting from subsidiary bargaining power (Mudambi & Navarra 2004: 399). Subsidiaries with control over scarce resources have relatively higher bargaining power and in better situation for corporate rent allocation (Dörrenbächer & Becker–Ritterspach 2011: 537 cited Pfeffer & Salancik 1978). For example subsidiary managers can resist disagreeable and unreasonable requests from HQ by referring to the unique institutional structures in their country (Dörrenbächer & Geppert 2006: 257).

Dörrenbächer and Gammelgaard (2006: 280) conclude that impacts of these actions are in many cases marginal for the overall process since HQ initiatives are too powerful. The next section considers micro–politics from actors' perspective.

3.2.1 Actors

Micro–political perspective is interested in analyzing interaction at the level of individuals, groups and organizations. Political processes at these levels are not independent, but multi–layered and interdependent (Dörrenbächer & Becker–Rittersparch 2011: 545). For example Smale and Heikkilä (2009: 161) looked HQ–subsidiary negotiations in IT based HRM integration involving three actors, HQ HR, country HR and consultants. Also key subsidiary managers have a vital role in intra–firm competition as boundary spanners, they form coalitions with inside and outside stakeholders of the MNC to improve their opportunities and performance (Dörrenbächer & Becker–Rittersparch 2011: 534 & 545–546). This duality of interest between HQ and the subsidiary can be challenging for the subsidiary managers since interests are sometimes conflicting (Ambos & Birkinshaw 2010: 454). Also actors in micro–political perspective are not just bound by institutional and structural constrains of an organization, but are also considering their personal interests in organizing and strategizing, often these interests are self–centered like gaining power or enhancing career development, but sometimes these are also driven by personal identity construction or group dynamics (Dörrenbächer & Geppert 2006: 256). Burns (1961: 260–261) on the other hand claim that normally in organizational conflicts parties claim to drive the best interest of the whole organization, thus members of organization are simultaneously co–operators and rivals in aim to achieve the resources and intangible rewards linked with this competition with each other.

It is widely acknowledged that only a few powerful key actors (managers) are actively involved in micro–political strategizing, yet their interactions can have far–reaching impact for all members of the organization (Burns 1961: 261 & 269–270). The conflicting view states that relevant actors in micro–political conflicts are all those, who can participate in resource exchange relationships to influence the process of intra–firm competition to support their interest (Dörrenbächer & Becker–Rittersparch 2011: 545).

From the actor's perspective, the crucial question is always, what is at stake in a given power relation and what resources can be employed in the relation (Dörrenbächer & Becker–Rittersparch 2011: 544).

Also micro–politics can be seen as a game, according to Mintzberg (1983: 188) authority games, power building games, rivalry games and change games are of a special significance in organizations. During these games as described earlier actors are bound by rules, restrictions and resources (Dörrenbächer & Geppert 2006: 256). On the other hand these structural limitations also provide certain unique liberties for the actor that can be used for the implementation of actors' tactics and strategies (Dörrenbächer & Geppert 2006: 256). They can use these tactics and strategies to oppose or support initiatives (Dörrenbächer & Geppert 2006: 257). Mense–Petermann (2006) further point out that games can be understood as battles for authoritative and allocative resources. Authoritative resources allow actors to execute power over others, for example by fixing working hours and salaries. Allocative resources allow actors to coordinate material aspects in situation like the production process (Mense–Petermann 2006: 305.). Many times in MNC context these games are driven also by HQ aims for globalization and standardization of processes, like already in drivers section (Dörrenbächer & Geppert 2006: 257). Dörrenbächer and Gammelgaard (2006: 271) made a contradictive observation that sometimes HQ might favor a particular subsidiary even though the resources or the market opportunities are against it, because of personal relationship between managers or as a result of good lobbying skills.

Now the actors in micro–politics are discussed briefly and following sections focus on presenting three focuses of micro–political strategizing and conflicts using Rothman and Friedman's (2001) classification, resources, interests and identities (Dörrenbächer & Geppert 2006: 259).

3.2.2 Resources

The first one is resource, at this point of view micro–political conflicts and game playing focuses around the control of scarce resources, aiming to increase the organizational power and autonomy of certain individuals and groups, and the influence

of having these resources in control (Dörrenbächer & Geppert 2006: 259). By resources one means for example money and capabilities (skills, knowledge & processes) that certain people control. For example like previously mentioned consultants lack of HR knowledge gave subsidiary HR managers an edge in system design negotiations (Smale & Heikkilä 2009: 162). Also individual can be seen as a resource in organizations, his claims are contested by rival claims and as a result the individual, who is seeking support, promotes interests that are unified with the interests of others (Burns 1961: 267). Behind these alliances of resources lies the combined self–interest of persons (Burns 1961: 264). In this context the level of power one has is measured by the degree, which the individual is able to access, protect and control these scarce resources (Dörrenbächer & Geppert 2006: 259). Thus intra–firm competition is competition over HQ scarce resources, position in the system, mandates and customers (Dörrenbächer & Becker–Ritterspach 2011: 535 cited Luo 2005). Prahalad and Doz (1981) note that the existence of these resources has to be acknowledged by other parties one to gain more power (Dörrenbächer & Gammelgaard 2006: 271 cited Prahalad & Doz 1981). Pfeffer and Salancik (1978) recognize this phenomenon as resource dependency (Dörrenbächer & Gammelgaard 2006: 272 cited Pfeffer & Salancik 1978).

3.2.3 Interests

Second view is about interests, interest conflicts are driven by conflicting worldviews of individuals and groups, which originate for example from cultural and institutional differences (Dörrenbächer & Geppert: 260). For example Bondarouk and Ruël (2009: 510) note that different users have divergent views on usefulness e–HRM to their HR work and thus warn not just analyzing managers, employees and HR professionals since within these groups are sub–groups with varying interests, which can result to conflicting interpretations. In best case this realization of new information with the help of collaborative leadership can help facilitating organizational change (Tansley & Newell 2007: 115). Therefore the power is socially depended and power relationships exist only as long as actors need each other for achieving their own interests (Dörrenbächer & Becker–Ritterspach 2011: 542). Alternatively without cooperative effort politics distort and restrict information flow (Walter et al. 2012: 1590).

Interest views on micro–political games are about how power is shared locally and globally and not so much about who is gaining or losing power (Dörrenbächer & Geppert 2006: 260). On the other hand Dörrenbächer and Becker–Ritterspach (2011: 534) argue that in situations, where responsibilities are shifted from one subsidiary to another, intense strategic interactions are triggered and conflicts escalate leading to political and industrial actions and public debate. In this view actors try to develop a shared understanding through assuming that various interests are served best by embracing conformity and obedience to authority, controlling conflict, and sometimes reducing or resolving it through collaboration in decision–making (Dörrenbächer & Geppert 2006: 260). Thus Marler and Fisher (2012: 3) note that conflict of interest between management and employees can alter the intended effect of IT implementation.

3.2.4 Identities

Last identities, at the centre of this perspective are conflicts that help to change the rules of the games and the identities of the involved actors. Power is understood as relational and requires analysis to go beyond competition for scarce resources or negotiating interest conflicts. Thus power is understood as *"a relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not otherwise have done"* (Pfeffer 1981: 3) or like Giddens (1984) sees it as the actor's ability 'to act otherwise' and means by it *"being able to intervene in the world, or to refrain from such intervention, with the effect of influencing a specific process or state of affairs"* (Giddens 1984: 14). It is about challenging established practices and thus stimulates organizational learning, through for example letting each party share their interest and values during the negotiation. In this process, actors will learn more about themselves and other players involved. Thus Tansley and Newell (2007) came to a conclusion that implementation of e–HRM technology depended on political negotiations between competing interest groups rather than rational behavior (Dörrenbächer & Becker–Rittersparch 2011: 544), this manifested itself through simultaneously occurring public (with others) and private (within himself) rhetoric sense–making, which resulted into relational knowing and situated learning among managers and groups that they represented (Tansley & Newell 2007: 115–116). These conflicts are then crucial in building the corporate identity. (Dörrenbächer & Geppert

2006: 261.)

Walter et al. (2012: 1604) argue about firm's alliance skills, the management of intangible, socially complex, and causally ambiguous decision processes, which requires challenging coordination between managers and resources (both internally and externally), is difficult to comprehend and imitate; therefore, it is likely to provide a competitive advantage to those firms that master it. In this notion is the essence of the synthesis of the theory section. MNC that are able to align the interest of stakeholders in multiple levels (individual and intra–organizational), can create unique advantages in processes like e–HRM implementation, which require intense cooperation between different actors and thus when successful these companies are able to rip the full of benefit from these systems. As a result e–HRM can build up organizations social capital and new innovations through fostering open communication through out the organization like Martin and Reddington (2010: 1568–1569) predicts.

Above mentioned cannot happen without considering both institutional and micro–political issues linked to the e–HRM implementation since like previously argued organizations and individuals are both socially embedded. Therefore the next section combines these three areas of theory into together.

3.3. Combining institutional and micro–political approaches

So far we have presented issues regarding e–HRM implementation, considered it from MNC and consultant's perspective and considered the strategic potential of e–HRM. Also along the way clues on institutional and micro–political issues are laid in front of the reader and in this last chapter the background of these are presented. Therefore regarding these issues independently is not enough to reach fundamental understanding of the issues linked to e–HRM implementation. The institutional perspective gives the foundation where the implementation is set and thus manages to explain some of the motivations behind the actions in certain environments (Rupidara & McGraw 2011: 176). Institutional theory lacks the ability to describe the complexity of social processes and the micro forces affecting the adoption, where subsidiaries are sometimes able to resist MNC's isomorphic pressures (Rupidara & McGraw 2011: 177). The micro–

political perspective brings the dynamic environment of the implementation forward, but is not enough since MNCs, subsidiaries and human actors are integrated in their social environment and as a result are constrained in some degree by the institutional forces (Rupidara & McGraw 2011: 178). Actors thus are trying to build internal and external fit for the system under the institutional pressures within the dynamic environments (Rupidara & McGraw 2011: 177). Eventually it would just end up isolating the phenomenon from the real world.

Therefore e–HRM implementation to have influence in creation of competitive advantage, needs to be approached in unique manner and created in social process, this gives it path dependency and hence makes it almost impossible to be imitated (Marler 2009: 520–524; Rupidara & McGraw 2011: 178). Since the e–HRM process is social and like Kostova et al. (2008: 1003) argue also MNCs are in itself institutional environments, social actors within MNC with the power and political skill will enforce institutional settings favoring themselves. Therefore HR managers are constantly involved in coping and interpreting conflicting individual interests and institutional pressures during e–HRM implementation (Rupidara & McGraw 2011: 175). Hence the process demands constant negotiations, compromises and restructuring to be successful (Rupidara & McGraw 2011: 175). Thus power and politics plays a key role in formulation and implementation of HR policies (Rupidara & McGraw 2011: 180) and are therefore subjected to also interest of different actors like Dörrenbächer and Geppert (2006: 255–256) intended. As a result this research unifies these perspectives and tries to empirically test the new e–HRM implementation model presented in the figure 4.
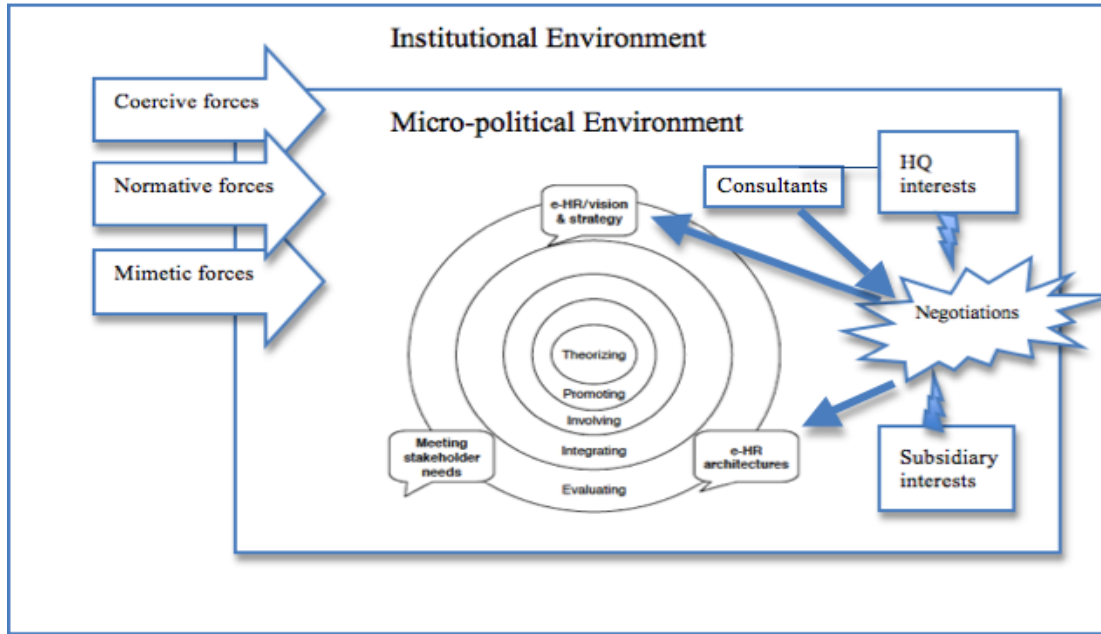
Figure 4. Adapted e–HR as the implementation of cycle model by including institutional and micro–political environment.

The model is constructed to illustrate the different pressures affecting e–HRM implementation, first the pressures coming from the institutional environment and secondly showing the micro–political environment of the MNC–subsidiary relationship, where the implementation's e–HR vision/strategy and architecture are negotiated among relevant actors to ultimately respond to the stakeholder needs.

4. METHODOLOGY

In this chapter the theory linked to the chosen research method, the qualitative approach and especially the case study technique, is illustrated and then the chosen research process is described to the reader. Ghauri and Grønhaug (2002: 47) argue that the research design should focus on getting the correct information and as a result answer to the intended research problem. In similar vein Yin (2009: 24) argues that the research design is the logic that links the data to be collected and the conclusions to be drawn from the initial questions of the study (Yin 2009: 24). Thus the main purpose of the design is to avoid situation in which the evidence does not address the initial research question (Yin 2009: 27). The researcher should also be able to work under given constrains, like time, budget and skills of the researcher (Ghauri & Grønhaug 2002: 47). As a result research method is a systematic way to collect and categorize wanted data for obtaining necessary information to find a solution to the research problem (Ghauri & Grønhaug 2002: 85). Scholars have two main methodologies, quantitative and qualitative, to collect primary research data. Quantitative methods require standardization of terminology and operationalization of the phenomena, whereas qualitative methods may be used to research a certain phenomena in depth (Patton 1990: 13 − 14). Thus this study follows qualitative research approach.

The structure of this research is in theory described as linear−analytic structure, starting with an issue or a problem, and then continuing by a review of relevant prior literature. Then methods of the research are covered. Subsequently empirical findings are presented from the collected data and then analyzed against the prior literature. Results of the analysis are presented as conclusions and implications. This is the most common structure in academic journal articles as well as in many case studies. (Yin 2009: 176.)

4.1 Qualitative approach

Qualitative approach is interested in collecting and categorization of non−numerical data (Saunders, Lewis & Thornhill 2009: 151). Qualitative research thus focuses on finding hidden meanings and features, multiple interpretations from the same event, connotations, and unheard voices from limited set of evidence by taking many different

aspects into account (Ten Have 2004: 5 & 12). As a result qualitative study offers complex descriptions and clarifies Webs of meaning (Ten Have 2004: 5). Qualitative research offers wide variety of methods for data collection and analysis can consist of observation, content analysis, discourse analysis, focus groups, narrative analysis and archival research (Marschan–Piekkari & Welch 2004: 6). As a result qualitative research is exploratory and thus its' methods should be used in a flexible way, allowing the researcher to change topics that he studies and questions he asks, while learning from the relevant field of study. Hence ideas and evidence should be though as dynamically co–constitutive (Ten Have 2004: 12).

4.2 Single case study

In case studies, the researcher is able to picture complicated set of events and focus his attention in elements that intriques him (Koskinen, Alasuutari & Peltonen 2005: 156). Yin (2003: 89–98) argues that case studies have three basic principles, first it should based on multiple source of evidents increasing construct validity, secondly it should categorize the data and the researcher's report into a database and thirdly the researcher should focus on the logical pattern of thought to improve reliability. The problem in the case study research its' unability to result into generalization, because a case study is a limited illustration on particular incident, hence it is difficult to draw implications or theories that could work in other cases (Koskinen et al. 2005: 167). For case studies five components of research design are central elements, 1. study questions, 2. Its' propositions if any 3. Its' units of analysis, 4. The logic linking the data to the propositions 5. The criteria for interpreting the findings (Yin 2009: 27).

In general case studies are preferred method when how and why questions are being used, the investigator has little control over the events, and when the focus is on contemporary phenomenon in real life context (Yin 2009: 2). For example a single business process or part of the company (Koskinen et al. 2005: 154). Yin (1994: 13 & 23; 2009: 18) further argues that in case studies the boundaries between the phenomenon and the context cannot be clearly pictured. This situation distinguishes the case study method from other types of social science research methods such as surveys or content analysis. A case study uses multiple sources of evidence and data is gathered

through triangulation. (Yin 2009: 2.) Multiple sources in case studies mean documents, archival records, interviews, direct observation, participant observation and physical artifacts (Yin 2009: 98). Thus it benefits from the antecedent development of theory, which guides the collection of the current evidence and its' analysis (Yin 1994: 13). Its' essence is in the way to collect data and analyze it, through these a new hypothesis can be drawn, test new theories and make comparisons (Koskinen et al. 2005: 154–155). In case studies there is a possibility, in some incidents, to overcome the problem of generalization even though Koskinen et al. (2005) claimed it to be impossible. It is possible, when previously developed theory is used as a template and compared with the empirical results of the case study. If two or more cases show support on the tested theory, generalization of theory may be claimed. (Yin 2009: 38.)

When selecting case organization Yin (1994: 38–40) provides three alternatives for the criteria, a critical case which matches with suggestions and situations relevant in theory, an unique incident or a revealing event, which helps to understand and describe a phenomenon which was previously impossible. Yin (2009: 24) further argues that multiple case studies are likely to be stronger against the earlier mentioned validity criteria than a singe case study. Figure 5. illustrates different approaches in case studies, this research uses the single–case study design.
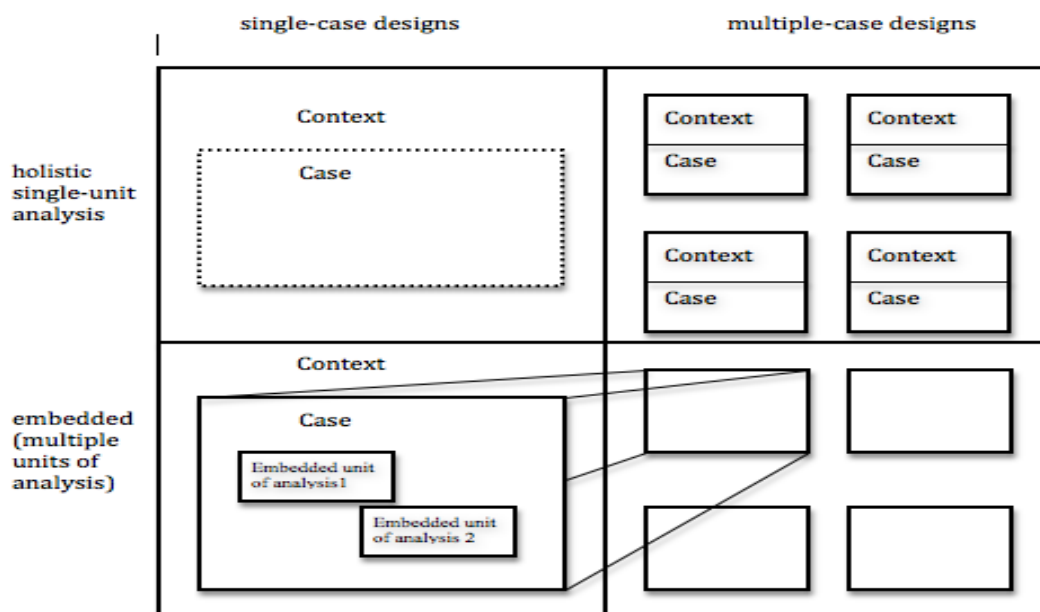

Figure 5. Basic Types of Designs for Case Studies. (Adapted from Yin 2009: 46)

Yin (2009) gives five techniques for analyzing case studies, pattern matching, explanation building, time series analysis, logic models, and cross–case synthesis. In pattern matching the logic is that it compares empirically based pattern with the predicted one. In explanation building, explanations are used to analyze the data through building causal links with the case. Time series analysis, describes the development of the phenomena over time. In essence logic aims to find a match between observed trend and theoretically significant trend or some rival trend. Logic models, the events are arranged in repeated cause–effect cause–effect patterns whereby dependent variable (event) at an earlier stage becomes independent variable (causal event) for the next stage. Cross–case synthesis is used in analysis of multiple cases, this technique treats every case as a separate study. (Yin 2009: 136, 141, 145, 149 & 156.)

4.3 Case company presentation – Sympa Oy

Table 4. Sympa Oy. (Sympa Oy 2013a)

Sympa Oy (see table 4.) is a Finland based e–HRM software and service provider, established in 2005 and has offices in Lahti and Vantaa. Currently the company employs around 40 professionals and the revenue growth in the past five years has been 617 percent, thus Sympa Oy has established a position as a leader in Finland among SaaS–based e–HRM software solutions. Sympa HR

Sympa Oy Facts in brief:
– e–HRM software & service provider
– Number 1. in SaaS –solutions (Finland)
– Established in 2005:
– Locations in Lahti & Vantaa
– Sympa HR (SaaS –model):
– Offers service for the whole HR lifecycle
– Financial Performance:
– 617 % revenue growth in past five years
– Owned by operating management

operates in software–as–a–service –model (SaaS) and is able to respond to customer needs during the whole HR lifecycle from recruitment to terminating the employment relationship. Sympa Oy continues in its' aims to expand and grow its' business in both domestically and internationally. As a proof of this, it has received 11th place in Deloitte Technology Fast 50 –ranking and 235th place in Deloitte EMEA Technology Fast 500 in 2012. Nowadays the company provides services to over 200 companies and has more than 60 000 users on its' system. The company ownership is in the hands of operating management. (Sympa Oy 2013a.)

4.5 Research process

Empirical data in this research has been acquired through face–to–face interviews with the chosen personnel in the case company premises. Also additional material was gathered from Sympa's www –site and from Sympa's Vimeo account. Interviews were done in March 2013, eight professionals were chosen which included both system consultants and managerial level actors in the service chain (see table 5.). On average the duration of a single interview was 31 minutes and 48 seconds and the interviews were recorded. Afterwards interviews were transcribed into written form and the results are shown in the chapter 5.

Table 5. List of interviewees.

#	Interviewees	Role	Duration	Consultancy experience
1	Interviewee	HR system consultant	33min 34s	One year
2	Interviewee	HR system consultant	19min 57s	One year
3	Interviewee	HR system consultant	36min 56s	Six years
4	Interviewee	HR system consultant	24min 48s	Seven years
5	Interviewee	Service manager integrations	18 min 31s	Unknown
6	Interviewee	Sales manager	31 min 20s	Less than one year
7	Interviewee	Account manager	48min 16s	Over a year
8	Interviewee	Service director	35min 16s	Three years

On this chapter the research methodology was presented, some background theory involving the qualitative case research and single interviews. Furthermore the case company was introduced to the reader and the actual research process, where empirical data was gathered, was illustrated. The following chapter will present the empirical evidence combined from the aforementioned sources.

5. ANALYSIS

This chapter presents the empirical findings on issues involving e-HRM implementation projects. The structure in this chapter is build to emulate the structure seen already in the theory part. The chapter begins with the introduction of Sympa's e-HRM system.

Sympa's e-HRM system is based on software as a service (SaaS) idea and it is able to support firm's all HR processes. Therefore Sympa's product offering fits with Shrivastava and Shaw's (2003: 208) earlier description of an enterprise wide software solution. Each HR process forms its' own independent partition and as a result can be taken into the system as a single entity or part of a complete system based on customers' requirements. The system with its' pre-made applications and possibility for customization make the introduction of the software cost-efficient and flexible for the potential customer organization. Sympa is born global (Sympa Oy 2013b), but still strongly relying in its' Finnish foundation since the majority of customers are Finnish based MNCs and local firms and their size varies between 30 to 10 000 employees. Sympa's efforts to continue expand their operations outside Finland are currently paying off, 235. place in Deloitte Technology Fast 500 EMEA –ranking (Deloitte 2013) and Red Herring European finalists (Red Herring 2013), are proof of that and the company has acquired projects from certain European countries and currently is establishing a foothold in Netherlands and in Sweden through local partners.

Situation in Sympa's marketplace

Presently many of the potential clients are in the situation, where their employee data is stored in Excel or in the payroll system and only recently the trend has shifted to transfer and store data to a specific HR system. Therefore it can be said that specific HR systems are not yet common in organizations, on the exception of large companies, which may already start to adopt 2nd generation of HR systems. This is very typical situation especially in Finland. Although there are exceptions, some young companies in Finland can be even more technology driven in business and in HR than larger Finnish or foreign companies, according to Sympa's service director. In general though he comments that companies are facing similar issues in Finland and in abroad.

Although Sympa's sales manager revealed a difference between some European countries:

"*In Denmark, Sweden and Holland there is more demand for mobile support than in Finland.*" (Sales manager)

Also one of the HR system consultants, who had a bit more experience from alternative HR system applications and from international environment, noted that especially companies in Belgium and Holland already have previous experience from HR systems and are now replacing them to get more advanced functionalities. In Finland on the other hand, like previously mentioned, the starting point in many cases is to store HR information in Excel –spreadsheets. Therefore in Finland SMEs are only now acquiring their first specific HR systems.

5.1 Drivers

During the interviews following themes emerged as drivers for e-HRM implementation. Centralization of HR information was seen as the most dominant driver in Sympa's implementation projects especially among SMEs. Other drivers are categorized (see table 6.) based on Lepak and Snell's (1998: 219–220) HR activities classification. Below the comment reveals the influence of resource scarcity on the drivers.

"*For small companies the cost of HR system plays a larger role than in bigger ones, which are focusing more on responding to legal requirements, reporting and aligning the HR system with the company's HR processes and thus are willing to also pay more.*" (HR system consultant)

Operational

Operational drivers are influencing basic HR work (Lepak & Snell 1998: 219; Ruël et al. 2004: 368; Shrivastava & Shaw 2003: 203) and presented in a ranking order based on how many times these were mentioned during interviews. After centralization of HR information came the aim to transfer some of the basic HR work responsibility from HR personnel to the line management, this serves Strohmeier's (2007: 20; 2009: 528) and

Martin and Reddington (2010: 1554) emphasis to share HR responsibility among the organization. Cost efficiency was another common aim, even though some interviewees argued that it is only present in bigger companies, and after it followed the overall aim to enhance HR work. This was commonly acknowledged also in theory (Bondarouk & Ruël 2009: 508; Lepak & Snell 1998: 231). Also the ability to conduct reports for management and for legal purposes was seen as an important driver. Customers also change HR system, when their functionalities or user experience does not satisfy present or future needs. One of interviewees saw that effort to eliminate bureaucracy and administrative work was a driver in e-HRM implementation, similarly like Shrivastava and Shaw (2003: 204). Closely related to earlier cost efficiency aim was the aim to save time. Another cost and imago related aim was to move to paperless office. One mentioned also access rights issue as a driver since line management were not permit to access to the payroll system and therefore without specific HR system could not fulfill the goal to move the work from HR to the line management. Also HR personnel was seen to push modernization of HR work since it could give them new experiences and improve their qualifications, when applied to new positions in the job market. None of the responders saw Bondarouk and Ruël's (2009: 509) HR personnel's desire to elevate themselves to the role of internal consultant.

Relational

The most popular relational driver, the aim to connect HR information system with HR functions like for example recruitment or performance system (Lepak & Snell 1998: 220; Ruël et al. 2004: 368 & 371; Shrivastava & Shaw 2003: 203), was seen in general to improve the availability of HR information and its' transparency. These aims are align with Martin and Reddington's e-HRM mission (Martin & Reddington 2010: 1553). Putting aside Excel based solutions for HR system was a popular driver in both big and small organizations. Also companies wanted to be able to look and trace data for example from previous development discussions. Companies additionally aimed to connect recruitment function directly to the HR system, as it allowed them to directly store and browse their applicant profiles. Lastly it was mentioned that in one industry segment, HR system was implemented partly because of its' potential in monitoring frequency of dangerous situations in the plant sites.

Transformational

Strategic drivers were linked with more advanced organizations, these firms are considering HR systems to be a tool to support strategic business drivers. Previous driver supports Ulrich's (1997: 318) and other author's strategic partner hegemony. Typically the more advanced firms are bigger or professional organizations, which are growing rapidly and need new kind of tools to support their aims. HRD and especially competence management needs are seen as strategic drivers when they support business strategy, but this phenomenon is still rare within organizations. Also theory recognizes these as being a part of transformational HRM (Lepak & Snell 1998: 220; Ruël et al. 2004: 368; Shrivastava & Shaw 2003: 203). One of the HR system consultants said that she had never heard that companies would implement e-HRM systems to gain competitive advantage, which then put one to contemplate on the discussion can e-HRM result to competitive advantage (Martin & Reddington 2010: 1553; Parry 2011: 1147–1148). Especially MNCs wanted to standardize their HR processes among their subsidiaries and another common cause of implementation was to bring more clarity into their HR processes in terms that processes are up to date and well defined. Both clarification of processes (Lepak & Snell; Ruël et al. 2004: 377) and standardization were also recognized in the theory (Ruël et al. 2004: 369 & 373; Strohmeier 2009: 528).

Table 6. Drivers listed by using Lepak and Snell's categorization. (1998: 219–220)

Operational drivers	Relational drivers	Transformational drivers
- Centralization of HR information - Responsibility shift from HR to line management - Enhance HR work - Cost efficiency - Improve reporting - Limitations or dissatisfaction to previous system - Cutting down bureaucracy/administration - Time saving - Aim for paperless office - Line managers' access rights issues - HR personnel's	- Improve availability of HR information - Improve HR transparency - Improve traceability of HR data - Move from Excel to HR system based solutions - A new tool for recruitment - Monitoring	- Tool for supporting business strategy - Tool for HRD/competency management - Standardization/clarification of HR processes within the organization

professional development		

5.1.1 Relation between HR processes and technology

In here the aim is to illustrate by using Shrivastava and Shaw's (2003: 204–206) classification, is the Sympa HR system process – or technology–driven in its' implementation approach, thus which one should adapt, technology or the HR processes, in implementation projects. Here below are some of the comments.

"Technology should bend, you get the HR system to support your HR processes and not the other way around." (HR system consultant)

"There are more cases where technology aligns itself with HR processes than the other way around." (HR system consultant)

Contradicting viewpoints also emerged, the account manager argued that the optimistic view would be that technology adapts, like presented earlier, to HR processes, but in many cases this is not true. This is because the cost of customization in these situations rises too high and prolongs the project. In these cases the account manager advices to keep the implementation simple and within the possibilities of the system, because in this way customers are able to get the system working, get results and payback faster from the investment. In these situations it is evident that companies should pay a lot of attention to technology selection like Strohmeier (2007: 21) suggested and closely monitor on realized cost–benefits (Martin & Reddington 2010: 1564). Also Sympa's service director says that the system in some cases can provide ideas to the customer to develop the HR processes in more modern direction. Overall most of the interviewees' answers were similar with following statement:

"It is probably 50/50, if the customers' HR processes are from "Stone Age" then I will try to get them to change their processes to get the best out of Sympa's HR system in terms of functionality and practicality. I think it is bad consulting if we are trying to align the technology to weird HR processes. These situations are a result of corporate culture's influence and are very depended on the organization, but in general I try to avoid bending Sympa HR system." (HR system consultant)

As a result Sympa's HR system can be argued to be some kind of hybrid approach in term's of Shrivastava and Shaw's (2003: 204–206) classification, simultaneously adapting to HR processes and also pushing processes to develop fit with the system. So far Sympa's flexible product has been presented and the fertile opportunities in its' marketplace, also based on the interviewees' provided a peek on the most common drivers of e-HRM implementation and the final part gave reflections on the relation between HR processes and technology. As the background behind Sympa's implementation cases was presented, the next section focuses on the actual implementation process.

5.2 Implementation process

The implementation process (see figure 6.) is managed through workshop based method and driven and project managed by Sympa's HR consultants. The consultant takes over the process from the sales team after the customer makes the decision to adopt the system, also consultants can in some cases support sales by showcasing the system and its' abilities to the customer during the sales phase. The implementation phase starts as the sales team briefs the consultant on things agreed in the sales phase, then a starting meeting is arranged with the customer's project organization. Before the kick-off meeting, the customer is given some material and tasks to prepare the organization and the customer's project team for the implementation.
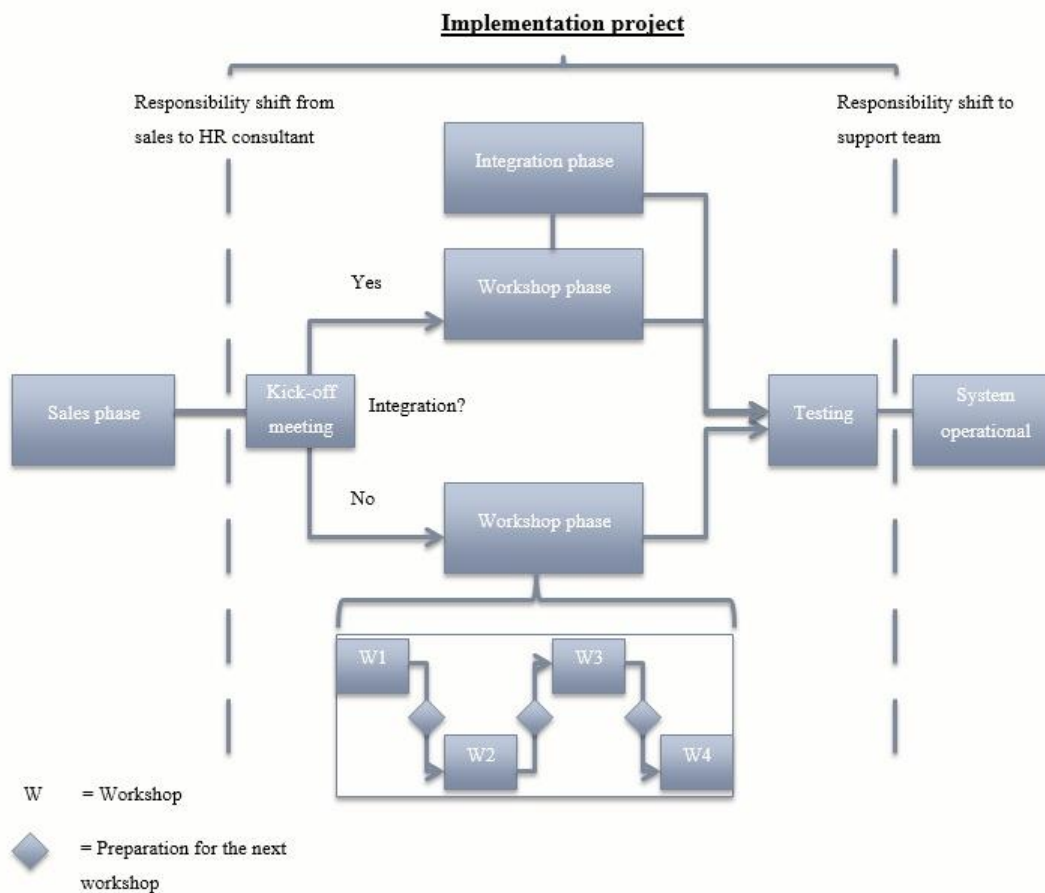
Figure 6. Illustration of Sympa's HR system implementation project.

During the kick-off meeting Sympa's consultant and the customer's project team discusses on the overall project, timetable and agendas in each workshop, and its' aims, in Strohmeier's model (2007: 21) this phase was "strategies" and in Martin and Reddintong's model (2010: 1569–1570) "theorizing". Service manager explains that usually in these discussions it comes clear what are the focus points in the project to get it operational and which functionalities from the overall vision are added later in updates. As said each workshop involve discussion around individual HR process chosen to be included into the system, what are the requirements of HR process and Sympa's system and with these restrictions in mind decide the optimal way to construct the system. In between the workshops more individual tasks are done within both organizations, Sympa constructs the system further and the customer prepares its' organization for the next workshop's agenda. Thus workshops and between tasks could be seen as being "involving" stage in Martin and Reddington's model (2010: 1570).

Afterwards when workshops are done, the system specifics are closed and testing phase begins in the customer organization. Also side by side with the system implementation, in cases where integrations are required, separate integration project begins. In the integration project the key is to determine those systems, which are intended to link with Sympa's HR system, and their requirements to establish a functional data linkage between the two separate systems. This phenomenon is in line with "Integrating" part in Martin and Reddington's model (2010: 1570). When the system is tested, all the personnel are transferred into the system and the system goes live in the customer organization. At this moment also the responsibility of the client is handed out from consultant to customer support and to the account manager.

5.2.1 Project duration

Sympa's e-HRM system implementation projects vary in duration anywhere between two months (in SMEs) to one and a half year (in MNCs). The most influential factors affecting to the project duration are considered to be the firm's size and aforementioned possibility of integrations with other systems like for example a payroll system. Also the company has a product "Sympa HR Taimi", which is very standardized and limited in terms of functionality for small companies needs, which can be applied in matter of weeks. Since "Taimi" does not include consultation, it is not regarded in this research.

5.2.2 Common causes of conflict

The most common cause of conflict between Sympa Oy and their customer is mistakes in understanding the HR system's possibilities. In similar vein also inability to understand limitations of the HR system might result into a conflict, because each system has its' limitations or the cost of customization is unbearable. Also Mintzberg et al. (2009: 244 & 246) and Dörrenbächer and Gammelgaard (2006: 279) have found evidence that variations in perception are a common cause of micro-political conflict. The root cause for these issues was seen to be limited time in sales phase to demonstrate the system and its' functionalities. Also the cost of integration, if it requires 3rd party participation, can in some instances be a bit of a surprise for the customer and thus cause discussion.

Yet another reason is lack of IT competence in customer's project team, which can cause frustration among supplier in both types of projects, those with integration and those without, since poor IT skills result into inability to understand issues related to the implementation and to define the system efficiently. This is especially true in cases, where HR -managers are close to retirement and yet have powerful opinions on the project even though they may have limited understanding on the topic. Also availability of time can cause issues since the implementation project requires participation in the customer organization, this is a common reason since many in the project team are doing the implementation project side by side with their daily work. Closely related to the availability of time is also the importance of preparation, if impacts of the implementation project to HR processes and HR procedures are not considered in forehand, there is a danger that during workshops these issues cause conflicts especially in firms where person/s involved into the project have strong opinions. This is discussed later on more in depth in the micro-politics section.

5.2.3 Multinational environment

Multinational environment brings additional challenges to companies in implementation projects since many of them still were seen to have problems in enforcing headquarters' HR steering in country units, Sympa's service director sees language difficulties being partly causing of the problem. This notion of language causing difficulties was supported also in theory (Heikkilä & Smale 2011: 308–310; Smale & Heikkilä 2009: 162–165). Also differences in laws between implementation countries were seen to bring additional challenges to the system implementation and to force changes to system procedures, this is in line with Strohmeier and Kabst (2009: 489–490) earlier notion. The account manager in the end however questions, how well the HR system is able to support in functional terms country specific differences within the organization.

Another challenge is to the information security and privacy. The principle in Sympa, governing information security and privacy, are to handle these issues through contracts by guaranteeing that the personnel data in Sympa's system is stored within the limits of EU borders, thus Sympa Oy has acknowledged issues mentioned by Gueutal and Stone (2005: 242) and Strohmeier and Kabst (2009: 489) in the theory, and the data

connection between the supplier's server and the customer organization is highly secure. One of the HR system consultants expressed the seriousness of this issue by saying that "*we would not have any business if these matter would not be in order.*"

5.2.4 Implementation process' impact on drivers/strategy/architecture

Another area of interest was to find out whether or not the goals and/or drivers tend to change during the implementation project. In Sympa's case many of the implementation projects are on fixed cost basis with certain pre-defined architecture. Although as the project goes along sometimes the customer expresses their desire to include additional features and certain amounts of customization to the system, which were not in the original contract. This is very common in projects, only extend of it varies. One explanation for this was mentioned to be that in the sales demo -phase the potential customer gets only a minor perception of the capabilities/possibilities of Sympa's HR system and thus customer learns these things as late as the implementation phase and this leads to scope expansion.

"*Since our projects are so short in duration, it would be worrisome if major changes in drivers would occur.*" (Service director)

"*The starting point is that we have a contract, where the overall project is agreed and defined. Minor changes do occur, but in overall we have managed to keep the original customer's intention quite well in the projects.*" (HR system consultant)

"*I do not see that the strategy would completely change, but it can be a curvy path towards the intended outcome, where the strategy guides the process.*" (HR system consultant)

"*The implementation often evolves as it goes.*" (HR system consultant)

Two of the HR system consultants further clarify that quite often customers start the implementation project with basic HR elements and then during or after the implementation project realizes the system's potential and decides to add more

functionality to the system like for example human resource development (HRD) and/or recruitment. Above is especially true, if Sympa HR is their first electronic human resource system. Therefore it is typical that the focus extends when the customer understands the potential of the system. The project starts with certain need as a driver while these other drivers are already present at the background. Thus it can be said that in the background HR and e-HRM strategy drives the implementation (Ruël et al. 2004: 367). The cause for this focus broadening is seen to be the issue that there are in many cases different people present in the sales phase and in the implementation phase, mentions one of the HR system consultants.

Against earlier comments also the opposite, the focus sharpening, was noted to happen in projects, thus in many cases the goals change to be more realistic. In the beginning the main interest would be in HRD and getting as many features into the system as possible, but as the project progresses the focus changes to getting basic HR data in order and the system live and operational, explains the account manager. This focus sharpening was denied to result from the cost pressures in customer organizations, instead when workshops begin one notices that there are not this kind of processes defined or measured in the organization, which then swifts the feet under the original idea.

"*The HR system is just a tool to improve already established HR processes, not the solution itself without earlier preparations*" (Account manager).

One of the HR system consultants presented yet another example on the focus sharpening. The original plan was to simultaneously modernize their HR processes together with the system implementation, but in the end the HR system is decided to build around original HR processes and procedures since Sympa HR system's flexibility makes this possible and it was the most convenient option for them. Also notions were made, where the project starts with pressures to be fast ready and operational, but once the project goes along time seems to become irrelevant.

Integration intentions can also alter from the original idea. In these cases the integration is realized not to be the most efficient way to solve the customer's need. For an example a customer originally desired a connection to Oikotie-recruitment service directly from the HR system, but eventually this feature was not adopted since it proved not to be the cost efficient approach for the matter.

In this section workshop based implementation process was illustrated, furthermore project duration and common causes of conflict were covered. Also some of the usual obstacles in the multinational environment were discussed and finally some of the impacts in the process were considered in terms of drivers, strategy and architecture. Some of these themes covered in here will reappear in the forthcoming text and thus were discussed here only briefly. In the following section issues regarding institutional environment are presented from e-HRM implementation perspective.

5.3 Institutional environment in e-HRM implementations

According to theory, organizational practices have molded over time by the influence organization history, people, interest and actions and are deeply united with the social context (Kostova & Roth 2002: 216). This section is structured to focus especially on impacts of laws and customs, legacy systems and pressures to imitate.

5.3.1 Laws and custom

Laws and customs form the basis of any institutional environment. Dimaggio and Powell (1983: 150) define formal and informal rules to support coercive isomorphism. In e-HRM implementation projects laws have an influence since companies want to build into the HR system any requirements from law or collective labor agreements. This means for example ability to generate reports that are needed to fulfill the requirements of Finnish law, according to the HR system consultant. Also for example some public sector organizations demand some obligatory features from the system, which originate from law or from some jointly agreed procedures. Therefore it was unanimously agreed by interviewees that laws partly shape the HR system and its'

implementation. The amount that laws influence on HR system implementation depends on what HR functions are intended to be supported with the chosen HR system.

As previously noted especially in MNC context laws and collective labor agreements generate challenges since these vary between countries in Europe, which then result to that for example payroll systems differ. Since payroll systems are the most common system that integrates with Sympa's system, these integrations have to be build to support differences between countries. As due to institutional differences intentions can alter from the original idea like Rupida and McGraw (2011: 175) predicted. For example most of the projects in Sympa Oy are Finnish HQ driven and if there comes compatibility issues in a single country with small office and without a possibility overcome these issues with a reasonable cost, then it might be that the HR system is not adopted there after all. Thus institutional environment can give power to resist to subsidiaries like Rupidara and McGraw (2011: 179) and Mudambi and Navarra (2004: 399) argued. Regarding one system approach or customized software one of the consultants argue that "*usually it is one system for the whole MNC, but we also have one case where in each country there is a separate environment due institutional differences*" (HR system consultant). The downfall of this approach was mentioned to be that HQ is unable to produce unified reports from all its' subsidiaries. Also it diminishes e-HRM's potential to connect the whole company and foster communication (Martin & Reddington 2010: 1554; Marler & Fisher 2012: 4; Ruël et al. 2004: 365; Strohmeier 2007: 20; Shrivastava & Shaw 2003: 207).

In terms of habits, some habits among companies are so deeply infused into the everyday working that letting go of it and thinking and doing things in a new way is difficult for them like Koch (2002) predicted (Shrivastava & Shaw 2003: 206 cited Koch 2002). This is also the case with HR system implementation, if the system forces the company to do HR things in a certain way, and as a result causing many challenges and discussion. For example bureaucracy was described to be a common theme in public sector organizations' HR processes and as a result causing extra challenges during the HR system implementation. In smaller private organizations bureaucracy is not so relevant, because organizations are much more flexible in terms of pressures

from external institutional environment, which then directly allows more freedom on the system construction.

Customs can also change the project scope since in many implementation cases the original idea has been that alongside the HR system implementation also the HR processes are to be modernized, but during the process in some cases this turns out to be impossible since the customer wants to hang on with the old habits. In these cases Sympa's HR system faces pressure to be aligned to support these desired habits. For example it was generally agreed that when doing business with older firms, not regarding the size, one can hear comments and attitude that "*this is the way we have always done these things*" and the change thus is difficult or almost impossible. This phenomenon supports Kostova and Roth's (2002: 216) idea that actions are deeply integrated into the social context.

Even among MNCs one can sometimes experience this same phenomenon. Customs can also cause conflicts in system access rights policies, according to the sales manager and the HR system consultant, since in Sympa's system users cannot change their passwords by themselves or if the company wants to restrict data availability for example by not allowing a new manager to access to previous development discussion materials. Another access right issue was mentioned, when the customer insisted that HR personnel should be allowed to see everybody else's salaries, but not be able to see the salaries within their own HR team or another case where the line management was not allowed to see their subordinates' salaries. This evidence gives support for Dimaggio and Powell's (1983: 151) and Kostova and Roth's (2002: 216) aforementioned idea that coercive isomorphism is stronger force than the power of MNCs and hence it is evident that MNCs should find appropriate balance between local specification and global standardization (Festing & Eidems 2011: 165) or institutional duality as Kostova and Roth (2002: 216) calls it.

5.3.2 Legacy systems

Legacy systems in this instance means previous or already established IT systems in the firm. 3rd party systems can cause challenges, when Sympa's e-HRM system

implementation involves integration. For example these 3rd party systems and their requirements may cause to Sympa some pressure to adopt a certain way of implementation, which in some cases may not be the best approach regarding user-friendliness of the Sympa's HR system. This may then reflect badly on Sympa Oy since customers see that they have bought Sympa's system and thus these integration compatibility problems fall to them and they are forced to explain the situation and root causes behind the problem. These projects can also have implications to the 3rd party provider and thus generate extra cost to the customer, especially if the system is not familiar to Sympa Oy. In these cases also 3rd party representative is needed to make a contribution and to cooperate with Sympa's representative during integration projects. The integration manager explains why integrations have so much impact on Sympa's HR system.

"Our HR system is quite flexible and therefore it is able to adjust to requirements of 3rd party systems" (Service manager integrations).

As a result the system is build in each case by considering the opposite system features to ensure maximal compatibility between the two systems. For example payroll systems were mentioned to cause a lot of challenges in times, when the system is relative old and therefore it is not very flexible. Sympa's HR system responds to these challenges by having a build-in compatibility with many common payroll systems and as a result issues regarding these integrations are already known and the projects are therefore less complicated. In other cases integrations can cause a pause in the project, when the best approach to go forward is analyzed when dealing with previously unknown systems. Also in some instances the project team can include members, who are emotionally attached to the old system and want to transfer its' functionalities and a logic of doing things to Sympa's system, which is not always possible or wise and thus this can lead to quite hard change resistance against the new HR system. This phenomenon is very similar with earlier mentioned situations in "habits" section of the text.

5.3.3 Imitation

Imitation is evident in this industry, because sales references are so important in the service business and vital for a small company like Sympa Oy. If from a certain industry one operator chooses Sympa's HR system, the other operators then recognize this when it is their time to invest in HR systems. Thus being in line with Ciborra's argument in the theory (Bondarouk & Ruël 2009: 509 cited Ciborra 2002). They can assume that if it satisfies the needs of a close opponent, it will work for them as well. Furthermore the HR circles are so small in Finland and thus professional HR people are discussing openly their experiences regarding e-HRM implementation projects, which intensifies imitation even more. Since early adopters success is openly communicated, it thus promotes mimetic isomorphism (Florkowski & Olivas–Lujan 2006: 699; Rupidara & McGraw 2011: 181) or innovation diffusion like Teo et al. (2003: 20) describe it. Also professional networks tend to push normative isomorphism forward (Dimaggio & Powell 1983: 152). The service director provided an example from a phenomenon that once Sympa's HR system was implemented in one health care organization, afterwards in a quick pace four other companies decided to adopt Sympa's HR system within the same industry. This gives support for the idea of complying with social norms and thus enforcing organizational homogenization (Dimaggio & Powell 1983: 148; Tello et al. 2010: 1262). References are also mentioned to be important in the public sector organizations since government administrations and municipal governments have centralized functions, thus need for high compatibility with each other, and centralized procurement, which adds imitation in the e-HRM system adoption. Thus isomorphism in a way intended by DiMaggio and Powell (1983: 148) and Kostova and Roth (2002: 215) happens also among public sector organizations.

In this section some evidence regarding institutional environment were analyzed and one can come to a conclusion that each of the three areas discussed can have an impact on the HR system, laws and customs being the most influential of them. This is in line with Kostova and Roth's (2002: 216 & 230) and Teo et al. (2003: 39 & 43) earlier arguments that organizations are socially embedded and the context is therefore an influencer. Also it could be argued that laws were the only institutional force truly impacting MNCs based on the evidence, just like Kostova et al. (2008: 999) earlier

defines. The next section demonstrates the empirical findings related to micro-political issues. The structure of this section follows the style already adopted in the theory part.

5.4 Micro-politics in e-HRM implementation

This section presents empirical findings on the organizational micro-politics in e-HRM implementation, to recap the micro–political perspective "*micro–political perspective is specifically concerned with individual managers and their subjective interests in strategizing, organizing, and interactions between managers across functional and national divisions*" (Schotter & Beamish 2011: 245). Sympa's service director shares his opinion on micro-political issues regarding their e-HRM implementation projects.

"*In my opinion there have been surprisingly few micro-political issues in our implementation or sales cases. You would think when HR is your main partner that IT would cause more problems, but as a matter of fact they only come and quickly glance over the system specifics and after everything is ok you only deal with HR. Thus there have not been any major power struggles in our implementation projects.*" (Service director)

5.4.1 Actors

As the implementation project is often coordinated and driven by HR department and Sympa's HR system consultant, it is quite common that the customer's project manager has a HR background as well. In small companies this differs and the project responsibility falls to CEO or CFO, to a person who has the power to make decisions. In bigger organizations also IT is in many cases represented in the project team, which usually in projects is formed around the key users of the system such as HR, salary personnel and in cases where salaries are outsourced also a 3rd party representative. According to the service director the project team is, recommended from Sympa's side, to include also some of the line managers, but the consultants clarify that in many implementation projects this is not the case. Only in bigger firms line managers tend to have a representative in the project team. Although some of the interviewees remark that line managers' opinions are gathered through internal discussions. This is identical to Martin and Reddington's model "Promoting" part (Martin & Reddington 2010: 1570).

Also in smaller organizations, when there are integrations included into the project, also IT has a vital role. Additionally depending on the organization and its' aims/drivers also HRD -personnel can belong into the project team. Thus it can be argued that cross-functional compositions were rarely used, which is against previous notions in the theory (Shrivastava & Shaw 2003: 205–206; Bondarouk & Ruël 2009: 505–506). In general the rule of thumb is bigger the firm, bigger the project team headcount. As a result customers' project teams vary in size from one to 12 persons.

Therefore the project team size is a big influencer, if the size is big then it tends to be that there is lot of meetings, where people are expressing their viewpoints and trying to agree on and select a certain approach. This phenomenon intensifies in MNC setting, especially if the aim is to spread one unified system solution to across all business units in different countries. Therefore Sympa Oy recommends keeping the project team small since then decision-making tends to be faster. Since project teams are small, it is evident that only a small group of people (project team) is engaged to micro-political negotiations, which has wide impacts to the whole organization like Burns (1961: 261 & 269–270) argued.

5.4.2 Resources

To have a recap from the theory as resources one can understand for example money and capabilities that certain people control (Dörrenbächer & Geppert 2006: 259). Interviewees agreed that usually in the customer's project organization there is one person, who has the authority to make the final decision. During the interviews one example was mentioned that when there comes in middle of the implementation project a new member from outside the customer's project team to be as an expert in a certain process and this can cause confusion as this person may question all previously made decisions and thus this results to minor disruption in the project since backgrounds of the previous decisions are explained to him/her. The customer project team's IT skills and knowledge composition can have an influence on the project team's internal power relationships. One example was mentioned were a junior HR person manages to elevate himself, because of his/her IT skills, during the project to a position, which is higher

than his/her status in the organization. As a result the person receives more responsibility and becomes more active during the project. This example was in line with the earlier arguments presented in the theory (Dörrenbächer & Geppert 2006: 259; Dörrenbächer & Gammelgaard 2006: 271 cited Prahalad & Doz 1981).

Time also can be seen as a resource and in Sympa's case the implementation project is competing on available time with the daily routine tasks of the project team members. This is especially true in HR system implementations since HR personnel are doing the implementation simultaneously with their daily routines and in a sense are not so project oriented and thus this may cause the project to prolong. Also opposite situations happen, where customers can try to push HR system consultants to fasten their own schedule by appealing to their status as an important customer for Sympa Oy. The sales manager also noted that another issue could emerge when the system is operational, especially in small companies, and the only key user leaves from the company. This can cripple the system usage at least in a short term. In these cases the key user controls significant power over others.

In some integration cases, there is a bit of battle on IT resources since as told earlier during these integrations IT's presence is vital, but it might not be in top of IT's priority list to participate in HR system implementation projects. Another example of a power struggle was, when in one project team lead by HR manager, IT manager tried to run over the HR manager in almost all matters. This resembles Minzberg's (1983: 188) description on power building or rivalry game. In some organizations' IT department can be very powerful and thus have an influence on HR process and the system implementation. The sales manager mentions this to be quite rare and usually happening only in bigger companies. In some situations, where the project manager does not control any real power, he/she is forced to consult even the simplest decision from a person in charge. Normally though HR manager is given the authority to make the final call. Thus based on evidence, it can be argued that actors are constrained by rules, restrictions and resources like Dörrenbächer and Geppert (2006: 256) stated. Usually internal (if any) battles are over before the implementation starts. According to the sales manager for Sympa Oy the best-case scenario is, when HR manager is able to make

decision, regarding adaptation of HR processes to HR system's way of operating, on the fly without consulting others. Similar thought was expressed in comment below.

"*HR management or whoever is responsible for the project, have the blessing of top management to adopt the HR system and therefore have legitimacy to make certain decision and in extreme cases have the power to exclude troublesome entity out from the project team during the decision process.*" (Service manager integrations)

Also in multinational context there is evidence on power games in cases, where HQ's desires to control HR information and push this progress to country unit level. This depends on how strong influence HQ has over the country units or is there within the country units strong HR person, who is able to resist the change and keep doing things in their own way. Thus one can concur with Rupidara and McGraw (2011) that negotiations are dynamic process (comparing alternatives simultaneously against their personal and shared interests and goals) (Rupidara & McGraw 2011: 177 & 181), where actors are at the same time restricted and shaping their social and institutional environment, when negotiating on HR configuration (Rupidara & McGraw 2011: 178–179). Also Dörrenbächer and Geppert (2006: 257) stated similarly that subsidiary managers can resist the change by referring to their institutional uniqueness.

Alliances

As uppermost opinion on alliances emerged among interviewees, they had not experienced any alliance building during implementation projects so far. This was partly reasoned to be due the short nature of these implementation projects as evident from the comment below.

"*These projects are so short that no such thing can have enough time to form during these projects.*" (Sales manager)

Although the statement above does not always be the case since it was also mentioned that there can be situations where parts of the project team supports one idea, while others are behind another and then through negotiations parties will reach to a solution.

As an example of this HR system consultant mentions that in some cases salary personnel are against HR and IT personnel in some matters. Evidence on pursuing own interest was also supported by Minztberg et al. (2009: 246) and Walter et al. (2012: 1590–1591) in the theory. Furthermore it was argued that within these aforementioned alliance examples, they manage only to have an influence on minor details of the project and thus not the have any significant impact on the whole system implementation. This is not always the case since the sales manager mentions "*in worst cases HR looks on the things and says that our line managers are not going to go with this or are not willing to use the new process/system, which instantly reveals where the power is*". Thus this supports Marler and Fisher's (2012: 3) comment that conflicting interest between management line management can have an effect to the IT implementation. Also beside differences between functional departments, there can be conflicting interest between management and operating staff according to the HR system consultant, usually this confrontation and compositions originate from the past history. As a result of this section there is more supporting evidence on Bolman and Deal's (1997) finding that organization's are coalitions of individuals and interest groups (Minzberg et al. 2009: 246).

5.4.3 Interest

As already disclosed conflicting views about the HR system features can cause arguments between different personnel groups within the organization, some are more adaptive to change and some may see changes in old as a major obstacle for the implementation. Thus stressing Bondarouk and Ruël's (2009: 510) idea on involving all relevant parties to the implementation process to address these issues in early stage of the process. For example since the HR system pushes HR work to the line managers and this can cause change resistance among the line management, similarly like Martin & Reddington (2010: 1567) predicted. According to HR system consultant these opinions then reflect the overall attitude in the organization towards the HR system implementation. In many cases this type of change resistance attitude was recognized to be common among salary personnel, who often have a quite narrow perspective on things and thus be usually the least flexible to change. Nevertheless it is common in

projects that small conflicting views emerge frequently and are quickly discussed in each workshop. The amount then depends on the aforementioned project group's size.

Also in e-HRM implementation projects one can come up with the matter that there are different persons in sales phase, who are demanding the change, and another persons in the actual implementation phase, who may have opposite views on the necessity of the HR system and thus telling how things are presently handled in the organization. Typically this is the change desiring HR management against operating HR personnel and salary personnel, whose interests might conflict with the planned change since these parties may fear for losing their jobs as some of their previous work is being computerized, thus similarly like Shrivastava and Shaw (2003: 212) argued. From these actors only the HR manager is usually present in the sales phase. Also fear of losing work may be witnessed among 3rd party providers (if the payroll is outsourced) and thus result to negative attitude towards the intended change, when the HR system is being implemented.

There has been few cases, where Finnish HR/HRD personnel are interested in Sympa HR system and in some cases this have even progressed to implementation, before the headquarter forces the subsidiary to adopt the same system as in HQ. This has same elements as Birkinshaw and Ridderstråle's (1999: 153) description on corporate immune system. This is related to the fact that in multinational environment usually HQ wants more control over its' subsidiaries. The relation between standard and country specific applications is in Sympa's case close to 50/50. The motivation in MNCs is to improve reporting and as a result MNCs try to standardize the system and HR processes as much as possible within the limits of local laws. This motivation was also recognized by Ruël et al. (2004: 373) and thus it enforces Strohmeier and Kabst's (2009) notion that HRM configuration is a variable in e-HRM implementation (Strohmeier & Kabst 2009: 496–497) and also in micro-politics (Dörrenbächer & Geppert 2006: 260). In international projects the personnel involved in the project were argued to be even more professional in terms of experience and competence from previous implementation projects than in Finland and this were seen to result to less attempts for personal gain during the implementation projects, according to the account manager.

5.4.4 Identities

Identities, which in the theory meant that power is understood as relational and requires analysis to go beyond competition for scarce resources or negotiating interest conflicts, where the negotiation process itself is as important as the final outcome since it is simultaneously a learning process for the organization and thus builds the corporate identity. Inside organizations there can be different views between HR department, line management and IT department on the issues regarding HR system implementation.

In some instances for example, if the company itself is not well prepared for the change in advance or if the workshop agenda, particular HR process, is not though beforehand internally in organizations, these can cause parties to discuss and argue about the best solution during the workshops, which according to the HR system consultant should be kept internal. Another example is when business unit locations within a single country can affect to the project, if the project group is formed around personnel from different locations, these people can easily end up discussing on how things are handled in each location during the workshops. There are also in rare occasions projects, where IT wants to demonstrate its' influence and have an opinion on everything.

Personal relationships within the project team can also cause delays, for example the resource might leave from the organization in the middle of the project. One of the HR system consultants had only experience on pausing the project for a short while to get the internal processes in order, but these are not in any means typical. Some pauses have occurred when the customer cannot make decisions during the workshop and therefore will first have a internal meeting on it and then make a final decision, which only results to minor or no delay on the overall process.

"*We prefer not to take any part on company's internal issues or to be present in these situations since it is a waste of our time.*" (HR system consultant)

Also opposite comment emerged. "*In conflict situations I tend to be the negotiator from system perspective and assure to each party on benefits of certain approach and give confidence that the outcome will be functional and satisfying*" (HR system consultant).

Usually this happens during the workshops and sometimes it takes time for parties to realize the benefits of the system.

Always when there are more than three people in the project group these things happen, another issue is that is there a strong enough person to push the opinion forward or is there a strong project manager who is not influenced by this and says the final word. For example during the sales stage it can happen that HR managers, who are not in power to make the decision, are really pushing to have a certain HR system and can even test their leverage by threatening to leave the company if that system is not adopted. Also within project teams there can be seen evidence on how the power is distributed, the ones who have the ability/power to make decisions and those who take things as they come. Thus one can see similarities with these comments above and Dörrenbächer and Geppert's (2006: 260) earlier arguments.

As the empirical evidence has shown, when there are more than one person involved in the project organizational micro-politics has some influence to the outcome like Tansley and Newell (2007: 115–116) argued. The next section presents in-depth a single case in Sympa's history, where these aforementioned conflicts lead to project cancellation.

5.5 Example case on institutional/micro-political conflict

On the question can these micro-political or institutional issues cause delays or cancellation in the e-HRM system implementation projects, interviewees agreed that these have the potential to lead to delays and in rare cases even cause project cancellations. Below the service director explains the backgrounds in the only case in Sympa's history, where both institutional and micro-political influence can be seen to lead to project cancellation.

"Our client had understood our systems functionalities incorrectly and even though we tried to find an acceptable solution for the problem during the implementation phase, it was impossible and we ended the project in cooperation." (Service director)

One of the HR system consultants clarified the backgrounds of this case by explaining that the customer had a legacy HR system and was emotionally attached to the old system's operational principles and therefore could not agree on seeing that these things could be handled also differently. These opinion differences was also recognized by Kitay and Wright (2004: 15). This kind of event is very uncommon and usually also the customer is willing to adapt in situations, where they find that also Sympa Oy is trying to make the implementation as easy as possible for them. Thus cooperation diminishes any negative effects of organizational politics, mentioned earlier by Walter et al. (2012: 1590). Normally Sympa Oy solves issues regarding system functionality by closely reviewing together with the customer incoming functionalities in the system update roadmap and adding or accelerating the update schedule of a desired functionality to the system. This approach provides a cost efficient way to adapt in a long term to the customer needs.

To conclude, as previously mentioned, the limited time to demonstrate the system in the sales phase, inability to letting go of the old system and its' way of operating and finally inability to be adaptive let to above-mentioned project cancellation. The forthcoming section drills deeper into the consultant's role and their ability to influence during the implementation project.

5.6 Consultants' role in the process

As disclosed in many occasions, in the beginning of e-HRM implementation project it is crucial to get the customer to understand the importance of preparation in terms of HR processes, procedures and personnel towards the forthcoming change. Importance of preparation was also recognized by Marler and Fischer (2012: 17). Sympa's service director further reasons it this way:

"We cannot go there and simple push a button to make the HR system work for them. The project also requires work from their side." (Service director)

During the project HR system consultants' role was defined to be simultaneously the system expert and the supplier's project manager and is alone responsible from Sympa's

side for the project. Following matches with Thong et al. (1994: 211) and Kubr's (2002: 286 & 290) notion on consultant's role in IT projects. Since Sympa HR system is a tool first of all for HR and line management, thus it may require from the company some new approaches with HR processes/procedures. In these cases consultants are good to analyze the gap between present and intended state and to offer "best practice" solutions from the system's perspective and as a result help to get the change in an efficiently manner forward. These best practice –solutions tend to drive homogenization and thus institutionalism forward according to Rupidara and McGraw (2011: 181). Another interesting comment emerged during the conversations as it was in many cases argued that seldom on the opposite side is a person, who is experienced or competent project manager with past system implementation experience. Therefore customers in the end rely an awful lot on consultant's expertise and ability to guide the project successfully in to completion. When asked about the change to impact on the project outcome, following responds were made.

"*It is essential for the project. In my opinion even if there is a same customer and the implementation would be run by two consultants separately the system would look different since consultants can influence a lot in the final outcome.*" (HR system consultant)

"*Even though we have generic models where to start and best practices, the outcome depends on the personal preferences of the consultant, some prefer certain solutions over others and suggest them to customers more eagerly.*" (HR system consultant)

"*The consultant is a vital piece of a puzzle in terms of knowing the system functionalities and its' possibilities, but cannot do anything solely independently as it is ultimately a teamwork*" (Account manager). Here the idea is that also the customer and Sympa's technical staffs participation in the implementation project is crucial to build a good system for the customer's needs. Overall one can get the opinion that consultants can have a significant impact on the implementation project.

This is further elaborated, as Sympa's HR system is not a off–the–shelf product, therefore implementation projects involve a lot of consulting. Thus according to Bondarouk and Ruël (2009: 508) the system, if customized, then allows taking advantage organization's unique features. The consultant and the customer's project group constantly evaluate and improve the original implementation plan in the workshops as the project progresses. Therefore the consultant's role is to describe the different options and their upsides and downsides to the customer and to recommend the best approach for the customer's present and future needs based on the consultant's past experience and expertise, which may differ from the customer's own intentions as seen from the comments below. In other system supplier firms project managers only task is to manage the project and thus tend to know less about the system. In cases of conflict one of the HR system consultants sees that it is better to stop the process and make a decision or that the project team understands all impacts of each option and then withdraws to consider the next move. In these cases the consultant tries to give guidance for the decision-making.

"The consultant role is to participate into the conversation during workshops and offer best options from the system's perspective." (HR system consultant)

"The consultant is the one, who knows the system, its' capabilities and should be able to sense what the customer tries to get from the system. Then find out how their HR process works currently and suggest the best approach in terms of their HR process and the system functionalities." (HR system consultant)

"Consultants are foremost seen as supplier's project manager. Sometimes it is good to know, when to agree with the customer and when to say that it is a good idea, but in this instance it does not work." (Sales manager)

"In my opinion if the consultant always agrees with the customer requirements, the end result is not optimal." (HR system consultant)

Ultimately the responsibility to make the decision was agreed to be in hands of the customer like Kubr (2002: 9) earlier commented. Similarly in many integration cases the customer himself does not have the required competence to define the system specification correctly, thus the integration consultant is used to avoid any improper choices and to guide the customer towards a solution, which is truly good and functional for them. In terms of integration it can be argued that the consultant's role is even more important than in the implementation project since he/she is the only one in the project, who has a deep understanding on the Sympa HR system's integration capabilities and technical possibilities.

"*From the final outcome you see how good the consultant is.*" (Sales manager)

In the same vein, as the sales manager in the sentence above, the service director argues that measure of success in the implementation project is evaluated on how extensively the system is used in the organization and how much enquiries the customer support gets after the project implementation. The service manager's comment is in line with the theory presented by Bondarouk and Ruël (2009: 507). The better conversation the consultant and the customer has had during the project, the better the system works and the fewer enquiries comes afterwards. One of the HR system consultants conclude that "*without a consultative consultant the implementation project will no matter what be completed, but the question in the end is, how happy the customer and how good the outcome is.*"

5.6.1 Consultant–client relationship

"*We are there most of all to make a best possible system for the customer.*" (Account manager)

According to the interviewees customers see Sympa's consultants as in one part driving supplier's interest and in another part aiming for the best interest of the customer. "*I am helping them, but not really being a part of their team*" (HR system consultant). Kitay and Wright (2004: 4) defined above as boundary spanner role. Overall consultants were not seen to be in anybody's side. Although the account manager argues that "*from my*

opinion consultants are there to support and assist HR and if conflicts for example with management do happen, consultants tend to take HR side on these matters". This was reasoned to be a part of the close working relationship with the customer HR function. With some clients individual consultants may have developed a strong relationship of trust, where opinions are given frequently and thus they want to continue to develop the system further with the help of the same person. The service director describes this as a form of partnership. As a result of this cooperation also informal relationships do form in projects.

Sympa's consultants are not obligated to push sales themselves, which enforces the idea of system expert and developer. "*In my opinion customers are relief, when the sales phase ends and understand that thereafter consultants only to think the best for them.*" (HR system consultant)

"*Customer feedback so far has been that consultants are seen to develop the HR system and the organization.*" (Service director)

To conclude overall consultants saw themselves in a very positive light, consultants have the ability to have a significant impact on the HR system, they are trusted experts among the customer organization and thus their opinions and advices matter. They can also alleviate conflict situations through their guidance, which elevates their importance further. The client –consultant relationship therefore is seen to be closely formed around the consultant and the customer HR manager, also it resembles the consultant boundary spanner role between the supplier and the customer organization like Kitay and Wright (2004: 4) described. Also since the consultant is not forced to make sales, it enforces their position as experts and thinking the best of the customer. The consultants' own view differs substantially from the view presented in the theory by authors like Smale and Heikkilä (2009) and Kitay and Wright (2004) and Kubr (2002) and Bondarouk and Ruël (2009). These authors found several issues, like for example questionable loyalty and a habit to offer similar solutions to everybody, to criticize on consultants' role and behavior in IT projects. The next section integrates the elements from the theory and from the empirical evidence and considers them against the research questions.

5.7 Discussion

In this study the interest areas have been institutional and micro-political perspectives in e-HRM implementation from eyes of consultants. Hence areas covered in the theory have been e-HRM phenomenon in general, e-HRM implementation, MNC context, IT consultancy, institutional theory and micro-politics. The qualitative empirical evidence has been acquired in March 2013 through a single case study in Finnish e-HRM software solution and implementation consultancy provider. Next the empirical evidence is reviewed on a deeper level against the current theory and thus the research questions are answered.

(i)   *What are the key micro–political issues and conflicts in e–HRM implementation? [and how individual actors use their power in these negotiations to reach mutually satisfying agreements]?*

Even though the theory (Dörrenbächer & Geppert 2006; Dörrenbächer & Becker–Ritterspach; Minztberg et al. 2009; Walter, Kellermanns & Lechner 2012; Rupidara & McGraw 2011) might have given the picture that micro-politics are constantly present in organizations, based on the interviewees' responses it can be argued that micro-politics do not appear to be evident to consultants. Therefore it can be reasoned that majority of micro-political power games are already done before the e-HRM implementation project (in managerial level) or in between the workshops (among HR personnel) or after the implementation (among employees). Also since consultants mostly dealt with HR their view can be seen limited in this case and thus were not able to witness the full scale of resource exchange relationship like Dörrenbächer and Becker–Rittersparch (2011) described. Still some micro-political issues emerged from the empirical evidence. As a result *variations in perceptions*, especially between sales and implementation phase, were argued to cause most of the micro-political conflicts in e-HRM implementation projects, this was also recognized in the theory (Mintzberg et al. 2009; Dörrenbächer & Gammelgaard 2006). Within MNCs the power games according to responses were quite one sided, HQ managed to in many cases push their interest forward and in terms of micro-politics only strong subsidiary managers were seen to be able to resist the change and thus stressing the importance of their role as

influencers in e-HRM projects. Their importance was evident in the theory as well (Dörrenbächer & Becker–Ritterspach 2011; Ambos & Birkinshaw 2010; Dörrenbächer & Geppert 2006; Burns 1961). Especially desire for standardization drove this progress forward, which thus supports Dörrenbächer and Geppert's (2006) earlier findings.

Other issues that where seen fall under "resources" category in the theory, *lack of expertise in IT* among HR combined with *strong opinions* were seen to cause conflicts, but also IT skills can offer for young professionals a chance to redeem a role with more power and influence than their previous role would otherwise allow. Similar arguments on resource dependency were made in the theory (Dörrenbächer & Geppert 2006; Dörrenbächer & Gammelgaard 2006 cited Prahalad & Doz 1981; Dörrenbächer & Gammelgaard 2006 cited Pfeffer & Salancik 1978). Actors solve these conflicts in numerous ways according to the empirical evidence by giving authority to make a decision to a single actor, excluding rebellious elements from the decision-making process, negotiating acceptable solution, where micro-political power and alliances are tested, or relying on consultants' expertise and experience. It is good to highlight that consultants were unable to see alliance building within the limits of the e-HRM project. Also based on the empirical evidence that certain group of people (salary personnel) are more active in micro-political games than others. Additionally since there was a phenomenon, where employees managed to resist the intended change supporting Marler and Fischer (2012) earlier findings, it can be argued that organizational micro-political context is unique within organizations and as a result also the power distribution is context specific. Hence it can be argued that the level of conflicts in e-HRM projects depends on the power distribution within the organization and the project team and how these actors are able to take advantage of it.

(ii)   *How institutional environment affects to the e–HRM system implementation decision–making?*

According to the responses, institutional environment, in this case Finland, creates the basic foundation for the implementation, the framework that must be addressed to be successful in e-HRM implementation, and thus aforementioned is in line with the ideas

of several authors (Dimaggio & Powell 1983; Tello et al. 2010; Kostova & Roth 2002; Dörrenbächer & Geppert 2006). This means that especially one (both supplier and the customer) must identify and comply with the influence of laws and customs in e-HRM implementation projects and also be aware of the implications that possible legacy systems and system integrations create. This pressure was in the theory described to be coercive isomorphism (Dimaggio & Powell 1983; Kostova & Roth 2002). Another relevant institutional phenomenon was recognized by interviewees to be imitation. Since through sales references and the fact that professional HR networks in Finland are small and members are exchanging experiences openly, thus their influence is relevant on the HR system implementation as well. This same pressure was also recognized in the theory under mimetic and normative isomorphism (Dimaggio & Powell 1983; Kostova & Roth 2002). This information could open opportunities for HR system suppliers since through influencing these networks one could have a possibility to enhance their sales.

The MNC context according to the theory brought a new force on its' own to the table since MNCs were seen to be own unique institutional entities themselves and thus shaping their own institutional environment (Kostova et al. 2008). Also among responses there were hints that MNCs are pushing their subsidiaries through standardization into homogenization, but in between this aim are the aforementioned institutional forces. As a result this evidence supports earlier local-global argumentations presented in the theory (Festing & Eidems 2011; Schotter & Beamish 2011; Kostova & Roth 2002).

To conclude institutional environment has the ability to influence on the decision-making through various pressures, the main is coercive since it is mandatory for parties to comply at least with the local laws. Also procedures and habits that are formed along the existence of organization and present structures, like previous IT systems, were seen to create issues that need to be addressed during the project. As mentioned earlier especially suppliers should understand the possibilities existing through mimetic and normative isomorphic pressures.

(iii)   *What is the role of consultants in these implementation negotiations?*

As it was evident in the theory (Thong et al. 1994; Kubr 2002) and similarly argued by interviewees, the role of consultant can be vital for the implementation process. This argument derives from the notion that these persons have a dual role in this case simultaneously being project managers and system experts and the fact that the counter part in many cases lacks project skills and orientation and previous knowledge on IT implementation. As a result consultants receive substantial power to influence on decisions, the process and the outcome. Organizational micro-politics also recognized this type of expertise power (Dörrenbächer & Geppert; Dörrenbächer & Gammelgaard 2006 cited Prahalad & Doz 1981; Dörrenbächer & Gammelgaard 2006 cited Pfeffer & Salancik 1978). Thus consultants in many cases are empowered with the responsibility to guide the project through by pacing the progress in workshops and thus also tightly involving in discussion of the system functions and features. As said in the empiric evidence consultants personal style and preferences were seen to influence to the overall system outcome, aforementioned fits with Pfeffer's (1981) and Giddens's (1984) definitions on micro-political identities. Both theory and research evidence though come to conclusion that the final power to decide lies within the customer organization (Kubr 2002).

Like Rupidara and McGraw (2011) argue consultants were seen also in empirical evidence to have ability to enhance institutionalism by applying best practice solutions for customers, but what is notable is that still the offered solutions differ among individual consultants, which on the other hand will push away from the institutional isomorphism and Bondarouk and Rüel's (2009) earlier argument that consultants' identical solutions erode the possibility to have a competitive advantage through e-HRM. What differed between the theory (Kubr 2002; Kitay & Wright 2004) and the practice was that consultants' loyalty and interests were not under question, this can be partly reasoned through the fact that consultant were not responsible to push sales. To conclude the consultant is a foremost a coordinator and an expert in implementation projects and thus valuable component for customers to have a customer-friendly and functional HR software implementation for their needs.

To combine these three elements, institutional environment, like presented earlier in the synthesis model (figure 4.), creates one of the two context depended environments together with the micro-political environment, where e-HRM implementation process takes place and thus both have influence on the overall e-HRM implementation process and its' outcome. As a result being in line with Rupidara and McGraw's (2011) earlier arguments in the synthesis section. Consultants on the other hand are participating in to this process as 3rd party actors and thus might have limited view on all organizational realities that exist in the background. Although consultants actively participate to system negotiations, offer solutions and expert guidance and hence are the key actors in e-HRM system implementation processes. As a result one can argue that the model (figure 4.) is able in some extend to illustrate e-HRM implementation environment and forces affecting it. Now in this section the research area is covered regarding main theoretical arguments and main empirical findings on each relevant theme. The next chapter presents the research conclusions, managerial implications, limitations of the study and suggestions for future research.

6. CONCLUSION

This research was interested in the e-HRM phenomenon from micro-political and institutional perspective. Additionally consultants were chosen as a source of information since all these three elements had received only limited academic interest and thus insufficient amount of evidence. This way the scope managed to be simultaneously narrow and penetrating deeply. Hence within these areas this study aims to contribute to the theoretical discussion.

e-HRM institutional and organizational micro-politics are present in each decision organization's make and arguably e-HRM implementations are no exceptions on this, even though in some cases they remain hidden. This study presented and empirically tested a framework, which combined previously mentioned elements from institutional, micro-political and consultants' perspective. Based on the evidence it can be argued that all of them have an influence to the overall process in e-HRM implementation, only the amount varies as it was argued to be context specific. Hence the institutional environment forms the boundaries and the micro-politics the context for the e-HRM system implementation. As a result all the stakeholders in managerial level should pro-actively recognize these themes, execute a starting point analysis and prepare for the change in forehand in order to minimize both of these influences. Nowadays one can argue that only mandatory laws are recognized in forehand. Although since the empirical evidence was gathered through a single case study from 3rd party provider, one can question on what extend these actors are able to see full influence of institutional and micro-political environments to the e-HRM implementation. Thus one could argue that the sight is one sided and therefore limited to illustrate the complete phenomenon.

Consultants' role is to offer their expertise to elevate right issues regarding each stage of implementation and pace the progress according to firm's capabilities to absorb the change in HR processes and procedures. Although one must note that they are not experts in understanding the firm specific context and its' influence, thus their advices should be carefully reflected and question their fit to the local institutional and micro-

political environment. Consultants also have in many cases the possibility to affect on the chosen e-HR vision/strategy by revealing HR system's capabilities to the customer, who then reflects it against their present and future needs and makes a decision whether or not these possibilities fit with their HR strategy. Also consultants can have similarly influence to the e-HRM architecture, in this case SaaS, by recognizing the relevant customer needs, present state of HR processes/procedures and reflecting these in terms of system's flexibility and functionality. Although as seen from the theory the picture may not be so rosy since consultants can also sell ideas and solutions that are for example too sophisticated and as a result costly for the needs of the client. Consultants' role is arguable vital for the process as it came evident that HR is in many cases not capable take the full responsibility of the implementation project or understand implications linked with IT implementations. Customers can proactively through their own actions decrease the role of consultants by having a competent project manager in their organization leading the project and taking enough time for preparation the organization for the change and analyzing the gap between the present and the desired situation. Currently the research evidence on consultants' role can argued to be biased and thus needs more scrutiny from different perspectives in the future.

6.1 Managerial implications

Managerial implications from this research are two-folded, for suppliers it is key to understand the influence of institutional environment since it creates the framework for the analysis and also to understand the organizational micro-politics since it forms the context within the institutional framework. Majority of the issues, beside laws, are due inability to letting go from or seeing beyond the past procedures, legacy systems, variation in the customer perception with the sales phase system promotion speech and with the implementation phase actual capabilities of the e-HRM system and finally HR personnel's IT and project orientation. Also opportunities in influencing HR professional networks should be considered by system suppliers.

For customer organizations the research contributes by addressing the importance of preparation in various levels. Organizations should do analysis of their current change capabilities including personnel, structure, processes and other systems. Also since

project manager are in most cases selected from among HR personnel, organization should pro-actively train key personnel for these implementation projects. Additionally also customer organization should invest more time in sales phase to get clear picture on different systems capabilities and their compatibility with customer organizations structure, processes, procedures and other systems. Also customers should constantly critically reflect consultants' suggestions against their own needs and not lower oneself to take consultants every suggestion for granted. Furthermore organizations should identify their drivers beforehand and create a clear strategy (step by step plan) and timetable with taking in mind resource restrictions and current need to get the drivers into the system. These all aforementioned are good to acknowledge since investing enough time in sales phase for analysis, results in many cases more successful and hassle free project, which then benefits both supplier and the customer.

6.2 Limitations of the study and suggestions for the future research

The chosen research approach generates some limitations to the study. First the single case study from supplier/system consultant's perspective eliminates some of the possibility to see "behind the scenes" of the implementation since based on empirical evidence, one could assume that majority of the internal (micro–political) issues in the customer organization are handled before the decision to adopt the system or internally during the implementation. Therefore this study approach could only look the phenomena from "outsider" perspective. Furthermore extending this to be multiple – case study from suppliers' perspective could give additional insights since different implementation approaches, in this instance a SaaS method, could possibly result to different empirical findings. Also since Sympa Oy is still a relatively small player, although expanding rapidly, in terms of international operations, as said earlier the majority of international clients have HQ still based in Finland, which could possible result to a narrow view on the MNC environment. Additionally one could draw a conclusion on the basis of the average interview time that there should be more topics in the question form to get more comprehensive view on the phenomenon. Also the role of consultants should be examined from customers' point of view in the future. Finally decision to "freeze" the theory acquirement in the end of December 2012, could have left out some interesting fresh theoretical approaches to the topic.

For future researchers this Master Thesis paper provides interesting clues and possibilities that could result to opportunities to build on the foundation of this study findings/limitations and as a result add new to the academic discussion. One could try to compare this micro–political/institutional phenomenon from customers, in single or multiple case study, perspective and thus add new element to the topic. Additionally it could be interesting to do a longitudinal study from the topic for example in a supplier organization. Also one could gain more from the MNC perspective, if it would be possible to acquire empirical data from more internationally established software suppliers/consultant houses like for example from Oracle and its' PeopleSoft application implementation projects. To conclude the framework presented in synthesis section should be further scrutinized and tested in different contexts and from different perspectives to increase its' validity and reliability.

Therefore it can be argued that this research contributed by expanding the theoretical evidence available in e-HRM phenomenon. Also the research addressed some of its' limitations in areas of organizational micro-politics and the role of consultants in e-HRM projects. Also research limitations and future suggestions were analyzed and presented for the reader.

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APPENDICES 1(1)

Qualitative Question Form

Research topic: Political Power Games and Institutions: A Case Study of e–HRM Implementation From Micro–Political Perspective

For Your knowledge:

- Your answers are collected for the Master Thesis research paper made in Vaasa University
- You should reserve one hour of your time for the interview and the interview is recorded
- Your identity is concealed in the final research paper
- Your answers are handled by only relevant personnel for the research
- You have an option to have your own copy of the final paper

e–HRM definition:

– e–HRM is about *"(planning, implementation, and) application of information systems (IS) for both networking and supporting actors in their shared performing of HR activities"* (Strohmeier 2009: 528).

Questions

Question 1. What were the key drivers in the beginning of the implementation process?

Question 2. Which actors participated in e–HRM implementation negotiations?

Question 3. How would you describe the negotiation process during the implementation?

Question 4. What were the key conflicting issues during the negotiations?

Question 5. Could you derive some of the sources of conflicts from the institutional environment of the company (laws, custom, partners, competitors etc.)

Question 6a. What is the role of organizational micro–politics in these conflicts/negotiations (competition on power, resources, different interests and views etc.)

Question 6b. Where there alliances build between the actors to press some matter forward? Is this intensified in MNC context?

Question 7a. How did the project organization managed to overcome these conflicts and cooperate to reach mutually satisfying agreement?

Question 7b. Did the drivers of e–HRM implementation change during the negotiation process?

Question 7c. Can conflicts lead to cancellation of the implementation project? If so can you provide an example?

Question 8. What was the implication of these negotiations on the e–HRM strategy and architecture?

Question 9. How influential do You see the role of consultant in e-HRM implementation process?

Question 10. Free comments

Thank You for your answers!

Further information (if needed):
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