

Chapter 4.7

The Diffusion of HRITs Across English-Speaking Countries

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INTRODUCTION

From an historical perspective, human resource (HR) activities rarely captured the respect of line executives who often view this area as “staff chores” rather than high value-added business. This, coupled with the large amount of complex information required to execute personnel tasks, partially explains why HR departments did not tend to be early adopters of information technologies (ITs). The situation has changed radically over the last decade, as personnel departments increasingly seek to offload paper-intensive, compliance-

oriented processes to technology-supported flows so that they are better able to support and evolve the company’s strategy to achieve competitive advantage in an era of increased global competition. Little is known, though, about the process by which HR-related software applications and services spread from firm to firm, and ultimately country to country. In response, we draw upon a set of geographically diverse practitioner surveys and early findings of our ongoing research program (Florkowski & Olivas-Luján, 2006) to examine the diffusion of HRITs across nations. We also include suggestions for future research and definitions of terms that aid in understanding this increasingly important phenomenon.

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BACKGROUND

There is little doubt that information and communication technologies (ICTs) continue to transform our society at a blistering pace, and particularly our workplace. Even back in 1965, Intel co-founder and former chairman Gordon Moore famously said that he expected the complexity of integrated circuits to double every year (Intel Corp., 2005). Debates have followed arguing whether this so-called “Moore’s Law” is applicable to other IT components, but the fact remains that ICTs are renovating our society and our organizations in ways we never imagined. HR functions certainly have been swept up in this tide. Companies worldwide invested an estimated \$5.5 billion (U.S.) on HR-linked technologies in 2005, with annual expenditures projected to grow in North America, Europe, and the Asia-Pacific region by 7, 20, and 22%, respectively, over the next 5 years (Frauenheim, 2006). In many developed economies, HR intranets have become cornerstones of the service-delivery model in larger firms (Mercer HR Consulting, 2002a, 2003a, 2003b; Watson Wyatt Worldwide, 2002). These and other sources (Cedar, 2002, 2004; SHRM, 2005; Towers Perrin, 2003) document that self-service applications for employees (ESS) and managers (MSS) are becoming increasingly widespread, bordering at times on majority practice in bigger organizations. Not surprisingly, HRITs tend to be less prevalent, but very much on the rise, in emerging markets with greater emphasis placed on the deployment of fully integrated HR information systems (e.g., Deloitte, 2005; Zuo & Zheng, 2003). That being said, countries like Mexico, Brazil, and China are not strangers to HR intranets and other Web-based technologies (Mercer HR Consulting, 2002b; Olivas-Luján, Ramírez & Zapata Cantú, 2007; Watson Wyatt Worldwide, 2000, 2004). It is in this environment that the need to use solid theories to better understand how these ICTs are spreading seems warranted.

Martin (2006) notes that the diffusion of innovations (DOI) paradigm is a promising, yet neglected perspective in the study of HRIT usage, a gap redressed here by drawing upon such works by Kwon and Zmud (1987), Gurbaxani (1990), Mahajan, Mullerm, and Wind (2000), Rai, Ravichandran, and Samaddar (1998), Rogers (2003), and Teng, Grover, and Guttler (2002). We define an innovation as any new idea (i.e., product, procedure, etc.) previously unknown to potential adopters. Diffusion, in turn, refers to the process by which innovations spread among organizations that seek to benefit from their implementation. Adoption, the process by which potential implementers of an innovation become actual users, is theorized to be influenced by numerous factors, including characteristics of the adopter, innovation, and environment surrounding the system of potential adopters.

Adoption events have been conceptualized as being normally distributed with respect to the speed of an innovation’s acceptance. The placement of adopters along this continuum determines whether they should be classified as innovators, early adopters, early majority, late majority, or laggards (Rogers, 2003). *Innovators* are the initial pioneers in a social system embracing innovation, defined by Rogers as the first 2.5% of eventual adopters. The ensuing 13.5% to internalize the innovation are labeled *early adopters* with distinct subgroup characteristics. The *early majority* encompasses the next 34% to join the innovation bandwagon; ahead of the average adopter by no more than one standard deviation time-wise. Entities that acquire the innovation up to one standard deviation after the average adopter are described as the *late majority* (approximately 34% of the distribution as well). Rounding out this classification scheme are *laggards*, constituting the remaining 16% of actual adopters in the system.

Although this taxonomy is not symmetrical around the mean, it has been used across a variety of disciplines as the entities within each subgroup are fairly homogeneous in a variety of

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