

# Critique of transferring western hrm practices to developing countries

[Business](#), [Management](#)



The gradual developments in the field of Human Resource Management (HRM) are today well documented (see for instance, Schuler and Jackson, 1999 and Sisson and Storey, 2000). In spite of that, the eager discussions on HRM issues continue even though their focus has transformed with the lapse of time. The main topic which interested researchers in the 1980s was the gradual development of HRM.

Then the topic moved on to issues belonging to the inclusion and adaptation of industrial relations into HRM (Guest, 2001); then the combination of the HRM practices with business strategies, and seeing HRM as an important source of competitive advantage for modern global companies (Braun and Warner 2002). At the moment, there is an ongoing discussion regarding the contribution of Western HRM practices to the Third World firm's performance (for example, Bjorkman and Fan 2002).

While some highly important HRM research findings have been produced in recent decades, research has often been based on generalized data or the researchers looked at HRM issues in Western Europe or the United States of America. In essence, these researches have focused their attention on HRM practices in advanced industrial countries of the West. As relatively very little analysis on incorporation of Western HRM practices by developing countries has been done, many researchers have put forward the need for more comprehensive cross-national HRM evaluation.

The goal of the paper ' Transferring Western HRM practices to developing countries - The case of privatized utility in Jordan' by Al-Husan, Faten Z. Baddar, Brennan, Ross, and James, Phil is to examine and analyze how

managers in a recently privatized Jordanian organization, Telecom Co, which is part-owned by a French multinational, and has implemented a programme of HRM reform using much of the latest Western management practices, cope with issues and problems related to management of human resources.

Thus, the researchers made effort to highlight the major factors that have impact on HRM policies and practices in Jordanian context. Their evaluation contributes to the development of HRM theories and relevant policies and practices. This critical analysis provides an examination of the research paper, including the rationale, objectives and significance of the research; and then outlines the framework used by the researchers. 2. Critique of ' Transferring Western HRM practices to developing countries - The case of privatized utility in Jordan'

The objective of this the research paper by I-Husan, Faten Z. Baddar, Brennan, Ross, and James, Philis is to explore the implementation of HRM practices in Jordanian organisation through the examination of human resource practices prior to and during the continuing organisational reform that has been occurring since privatization of Telecom Co. , the appraisal of future HRM trends, and the analysis of various variables which effect HRM. This objective is achieved by conducting systematic in-depth research carried out over a period of two and a half years, 1999-2002.

The researchers conducted both a review of current literature and field investigations, in addition to follow-up interviews at different periods and the staff survey. The paper, first of all, provides the reader with a brief summary of the developments in the field of HRM practices and how they are

transferred to developing countries (pp. 105-107). Second, the paper emphasizes the need to understand the particular characteristics of HRM practices in developing countries.

Third, the paper introduces a framework for conducting cross-national HRM research and, finally, it provides the reader with specific description of the structure and findings of this research and introduces each of the steps (pp 107 -109). The questions pursued by researchers in the paper and which require further attention include the following: 1 How is HRM structured in privatized Jordanian organization, Telecom Co? 2 What Western HRM strategies are developed by the Jordanian company?

3 How does the Jordanian company implement Western strategies? 4 What are the similarities and differences in the HRM systems in different countries? 5 What are the reasons for such similarities and differences? 6 What is the influence of national factors such as Jordanian culture, government policy and educational level on implementation of Western HRM practices? 7 To what extent if any are HRM models established in Western countries appropriate or relevant to Jordanian organizations?

One way the researchers examine thoroughly such questions is by identifying and examining the influence of the main factors and variables which have impact on implementation of Western HRM practices in Jordanian national settings. Researchers note that Jordanian HR practices are determined by both 'organisational culture' factors (such as age, size, and nature of organisation) and 'sub-culture-bound' factors (such as professional identities, status, position and seniority) (pp. 109-110).

Really, it is now generally accepted fact that management practices including HRM are not universal but are ' socially constructed' in each nation (Boxall, 1995). If the nature of HRM practices are known to be ' context-specific' (Boxall, 1995), then the degree and direction of influence of both ' organisational culture' factors and ' sub-culture-bound' factors on HRM vary from society to society and are responsible for the context-specific nature of the importation by the company of Western HRM policies and practices.

Researchers have identified how important contingency variables such as the highest educational attainment, length of service with the current employer, job category, and the division in which the employee works influence HRM policies and practices (p. 116-118). However, other researchers in the field (for example, Budhwar and Sparrow, 2002 and Sparrow and Hiltrop, 1997) acknowledged the important role of contingency factors and have stated that more complex culture-bound arguments must be applied to the study of cross-national HRM practices.

Research on the impact of the main factors on HRM practices in a cross-national context is thus crucial for the study of HRM implementation in other developing countries. This is specifically so taking into consideration the main developments and transformations which are happening in developing nations which have made their economies free and opened their doors to multinational companies. It is of great importance for researchers to be familiar with the pattern of HRM systems predominant in such developing nations. However, the successful accomplishment of such a large objective does require more research.

Focusing on cultural context of developing nations would add a new stimulus and force to HRM research and make possible for researchers to make in-depth analysis. Importantly, such a research approach would also help researchers to investigate the transferability of human resource management methods and practices. Up to the 1970s, the thought that management theories and practices are universally applicable was quite tending to pervade. Nevertheless, the influence of the 'convergence hypothesis' has now faded as sufficient evidence has been obtained which conflicted with it (Hofstede, 1993).

But the important question still is to be asked, to what degree if any can this contingency view be used for the comparatively new field of cross-national HRM, given that most HRM models have been developed in the Western world? McGaughey and De Cieri (1999) indicate that Third World companies are becoming more similar in regard of macro-level variables (in other words convergence). At the same time, they are maintaining their culturally based distinctive characteristics in regard of micro-level variables (in other words divergence).

This is an important finding which in all likelihood can be applied to HRM practices in developing societies. Although both macro-level variables and micro-level factors (discussed above) are indicated to have an effect upon cross-national HRM, it can be concluded that more meaningful cross-national HRM comparative analysis can be made by investigating the influence of cultural factors on HRM. This statement is founded on the premise that

cultural factors such as national culture and national institutions constitute the very basis of HR functions in any developing nation.

As a result, in order to analyse and highlight the nature of HRM transition to the developing country in different national settings, researchers need to identify and evaluate the major national factors that influence HRM practices in such context. The question of which factors to include under all-inclusive concepts of ' culture' or ' institution' then needs to be considered (see Budhwar and Sparrow, 2002). In the following, a framework used by researchers of the paper for examining implementation of cross-national HRM practices by Jordanian company will be analysed.

First, the scenario of HRM in Jordan will be examined. 3. Framework for examining the implementation of Western HRM ideas at Telecom Co. in Jordan, used by researchers of the paper In order to develop a conceptual framework to examine application of Western HR practices at Telecom Co. , researchers defined HRM in the broadest sense. There exist several reasons for doing this. First, the contemporary literature indicates that the concept of HRM is comparatively new phenomenon and sometimes non-existent in some regions of the developing countries.

Second, because a few different HR models can exist within a company in a particular country, each of which depends (together with a series of other factors, among which are different institutions and particular culture) on several different ' internal labour markets' (see Boxall, 1995). In the context of each labour market, HRM includes a range of sub-functions and practices among which are systems for workforce management, workflow

organisation, long-term staffing and development and reward programmes (Begin, 1992).

HRM practices and politics are consequently concerned with the management of all employment relationships in the company, including the management of managers in addition to non-management work. Conforming to these views, Al-Husan, Brennan, and James have put forward a framework for conducting international HRM research in Jordan which presents a simple set of variables which can be tested empirically. This framework enables researchers to accomplish effective research. Researchers have identified four levels of factors and variables which are known to influence HRM policies and practices.

These are: 1. Effect of educational attainment level on employee attitudes; 2. Effect of length of service on employee attitudes; 3. Effect of job category on employee attitudes; 4. Effect of department/division on employee attitudes. Taking into consideration that HRM in developing countries is in its early stage of development and the widespread agreement that HRM in a cross-national context can best be investigated by examining the influence of cultural factors, the researchers' proposition to examine the impact of only four national factors on HRM in Jordan seems reasonable and justified.

These broad variables form the macroenvironment of Telecom Co. in a national context. 4. Analysis of research methodology This section outlines the rationale for the research methodology used in the current research. It describes and evaluates the design and conduct of the case study by the researchers and the survey research component of the study, as well as the



development and quality of questionnaires and methods utilised for survey data analysis.

The research questions examined in the study focus for the most part on the ' what, how and why' of implemented Western HRM practices and policies in Jordanian organisations, especially those which have undergone process of reformation. Given the fact that implemented western HRM practices in Jordanian organisations, in particular in the non-state sector, is an under-researched area, the researchers came to conclusion that an exploratory approach was the most appropriate method for this case-study. In their study, researchers used qualitative and quantitative approaches. It seems that these approaches are quite justified for the present study.

A qualitative approach helped the researchers accomplish an in-depth and rich description of specific case study. The research is based on the assumption that this is the best way to get information about some aspects of organizational life in Jordan. As may be concluded from the research questions, this research is interested in understanding, discovery and interpretation of facts rather than methods of testing some hypothesis. In addition, it intends to examine a contemporary phenomenon (Western HRM practices in the Jordanian organisation) within its real-life environment.

Taking into account that this research has the exploratory, real-life and process nature character, the choice to utilise the case study method is justified. Despite the fact that the case study method can derive its rigour from " the researcher's presence, the nature of the interaction between researcher and participants, the triangulation of data, the interpretation of

perceptions, and rich, thick description” as stated by Merriam (1998, 151), its limitations (taking into account aspects of validity, reliability and generalizability) need to be managed with attention (Yin, 1994).

One of the tactics to address such limitations is also to use a quantitative approach as it “ can indicate relationships which may not be salient to the researcher”, while “ the qualitative data are useful for understanding the rationale or theory underlying relationships revealed in the quantitative data” (Eisenhardt, 1989, 538). Thus, the combination of qualitative with quantitative evidence can be highly synergistic.

In the present research the authors used survey questionnaires in addition to multiple interviews to collect required information from relatively large numbers of managerial and non-managerial employees working in Jordanian organisation (44 interviews over a period of two and a half years and a staff survey, 202 completed and usable replies).

The survey questions covered the main HRM activities and referred to those research questions that were more quantitative in nature, such as the extent to which current and future Western HRM activities are and should be conducted and the perceived effectiveness and usefulness of Western HRM practices and policies. The obtained data give strength to the case study analysis in several ways, as observed by Sieber (1982):

the data help correct the holistic fallacy by guarding the researcher against the assumption that all aspects of a situation in the case study fit an emerging theory; the data can be used to support a generalization made from a single or limited case study; observations based on fieldwork can be

verified. Finally, survey results can cast a new light on field observation, or more precisely, the serendipitous nature of some survey findings can illuminate a field observation that was hitherto inexplicable or misinterpreted (Sieber, 1982, 187).

The case study was designed and conducted in the context of recently privatized Jordanian organization, Telecom Co, which is part-owned by a French corporation. This research used a comparative case design. It can be considered as a powerful means of creating theory. This method permits “replication and extension of individual cases” (Eisenhardt, 1989, 98). Replication allows researchers to see and understand patterns without considerable difficulty and removes chance associations.

At the same time, extension allows researchers to develop a theory which is more planned and executed with care and exactness. In addition, case study method can also help to make the validity and stability of the findings much stronger. Case study was conducted in three phases over a period of two and a half years, 1999-2002 to investigate current reformed HRM activities and practices, to compare these activities with previous types and investigate the impact of reforms on these activities.

Collection of data on the HRM strategies and policies that were in place before, or immediately after, privatization was prepared at the first stage to help document the entire research procedure, and more importantly, to assist the progress of the study across major HRM functions in this case design. Its main part was to gather information primarily through in-depth

semi-structured interviews, which were taped and transcribed. 5. Data analysis and reports of the case study

The first step in the data analysis was to make examination of the case study collected data. This data included relevant document records, interview transcripts, field notes and the researchers' comments and observations. This procedure allowed the researchers to categorise all gathered data. This, in turn, made possible that the events, relationships and interactions perceived could be understood and interpreted properly within the context.

This categorization enabled the researchers to give form to, examine and rearrange uncertain findings obtained at the first stage of data analysis. Taking into account the case study objectives and questions, a standardized outline was prepared by the researchers. Going in accordance with this outline and including all categorized data, the case report was produced. As case report was completed, the researchers were able to have great knowledge of the case.

Data on the staff experiences of the HRM reforms were mainly collected using the staff survey. General survey analysis was conducted after the analysis of all samples which were obtained from all five the organisation's divisions -Technical, Marketing and Sales, IT, Finance and Human Resources. Each sample analysis was compared with the research questions and the literature reviewed in the beginning, and then a comparison of all samples identified their similarities, differences and patterns coming into view.

The combination of qualitative and quantitative evidence in this analysis was used to avoid narrow and idiosyncratic theory and hence “ to raise the level of generality of the theory” (Eisenhardt, 1989, 547), and also “ to build a general explanation that fits each of the individual cases, even though the cases will vary in their details” (Yin, 1994, 121). The cross-case analysis allowed researchers to examine intra-organizational variations. 6.

#### Techniques used by researchers for analysing the data

Analysis of survey data was conducted using the coding in SPSS for Windows. Researchers were using 1 for “ significantly decreased” or “ strongly disagree”, and 5 for “ significantly increased” or “ strongly agree”, with 2, 3 and 4 used for the intermediate points (108). In addition, one-way analysis of variance (ANOVA) test was utilized to identify variation in responses. This helped to combine some items that were highly correlated instead of examining them individually, and to create informative scales. Various techniques were employed for a range of analyses.

For example, “ tests of statistical significance were carried out to test the hypothesis that there is variation in responses between categories of employees based on their gender” and whether reported differences were statistically significant (108). 7. Limitations of the data Although the overall response rate was quite high, researchers note that the data have major limitations. First, almost all HRM practices noted in the questionnaire were not used in the organisation before the reforms were implemented, or employees and managers were not familiar with these practices.

Therefore, the questions obtained in the questionnaires are not quite reliable. 8. Significance of the Research Given the size of its growing economy and the desire of private Jordanian companies to support more independent and growing private sector in the country, Jordan gradually becomes significant in international business decisions. This is because the changes, which have occurred and are intended to implement in Jordan, hold considerable consequences for various groups including managers, HRM researchers and policy-makers at both country and company levels.

HRM research conducted by Al-Husan, Brennan, and James is significant for managers, especially local managers who are working in Jordan, but for foreign managers also who are going to work in Jordan. The growth of Foreign Direct Investment (FDI) in Jordan has resulted in greater involvement of foreign businesses in technology transfer and in the infusion of managerial special skills and knowledge into Jordan's economic development. Foreign companies have become the most widespread form of foreign investment in Jordan.

However, many foreign companies in Jordan experience considerable problems, which prevent them from reaching success. Some of these problems often originate from differences in political, economic and social systems, national culture. On the other hand, they stem from conflict with the traditional Jordanian HRM practices that are an inheritance of the pre-reform days. Al-Husan, Brennan, and James have pointed out differences between Jordanian and Western work attitudes, behaviour and concepts.

Also, Yordanian HRM policies and practices are quite different from those used in both developed and other developing market economies. Thorough consideration of local unique HRM practices is thus required to operate successfully in Jordan. Today's HR practices in Jordan have distinctive 'Jordanian' characteristics, as they have been produced based on the old management system (Al-Husan, Brennan, and James 106).

As a result, the comprehensive study of Jordanian organisational management practices allows not only to provide helpful information of direct relevance to those who participate actively in that economy, but also to clarify the relevance of Western thinking to Jordanian management. The results of study conducted by Al-Husan, Brennan, and James will allow better assessment of the effects of transition to a free market economy on management and implemented Western HRM practices and policies.

An understanding of Jordan's past and present management, particularly concerning HRM practices, gained from the current research, is of great value to foreign managers and their local Jordanian counterparts. The results of the conducted research will be also helpful for their understanding of the transformations which have occurred in Jordan and the emerging role of Western HRM in organisational management, and become aware of the inefficiencies in today's HRM practices for future improvement and development.

Research by Al-Husan, Brennan, and James is also significant for management researchers as Jordan begins to represent an attractive site for research on HRM, in particular in the field of comparative and transnational

management practices. While moving from a highly centralized command economy to a more free market economy, Jordan retains in part its political ideology. Therefore, Jordanian organizations can be examined to evaluate the universality of the macro and micro theories of management and organization that have been developed largely in the West or originated from Western practice.

In the current research, the HRM function and major HR activities are considered to investigate how Jordanian employees have been managed both prior to and after the economic and organisational reforms. Moreover, a survey questionnaire built upon the work of Western researchers was adopted by the researchers to study a range of HR practices in Jordan's organisation. This research will assist the progress of HRM researchers' understanding of the application of Western-developed HRM practices in the Jordanian context and the similar issues.

The results of the present research, which is based on both qualitative and quantitative data, should add significantly to an understanding of Jordanian HRM and its transformation. Moreover, policy-makers will find this study helpful as it reveals that the impact of economic reforms and the following transformations in traditional systems and practices on the management of human resources are deep. It thus presents the reader with some significant insights in the context of policy-making, organisational and government activities.

For instance, foreign businesses that might have desire to transfer their home country HR policies and operations to their subsidiaries in Jordan will



discover that this research supports the point that foreign companies should not assume that identical HR practices can be applied to their Jordanian enterprises. This research also presents for consideration issues for government policy-makers in regard of the regulation of organisations. These issues involve the implementation of social security policies and future reform of managerial positions for senior enterprise managers.

A comprehension of these important issues could help government policy-makers carefully examine their present policies to assist the progress of development of HRM practices in local organisations. 9. Conclusion Al-Husan, Brennan, and James provide an examination of the application of Western HRM systems and practices in Jordan. The researchers demonstrate how a mixture of different social factors, pre-reform principles and models impact on application of Western HRM practices by Telecom Co. Like other developing countries, Jordan is also finding it hard to get rid of the former practices and policies in its reformed HRM practices.

The researchers nicely summarise the impact of the national factors on Jordanian HRM. The analysis is based on a large number of in-depth interviews, surveys, and comprehensive literature analyses. The researchers also report that Jordanian organisation is making a serious attempt to adopt the Western HRM philosophy. Al-Husan, Brennan, and James obtained the research findings from both the in-depth qualitative interviews and an internal, quantitative employee survey which were analysed and discussed in detail in relation to the research questions posed in the beginning.

The comparative analysis across the case study and surveys enables a use of research findings in the future studies. The paper concludes with a strong indication that a role for implemented Western HRM practices is emerging in Jordan, even though one still in transition together with the Jordanian economic system. The primary purpose of this research paper was to explore the emerging role of Western HRM practices in Jordan organisation.

This purpose was successfully achieved by researchers through the development of the major research questions, the investigation of findings obtained from the case study and the interviews and surveys completed. The analysis of findings of the case study and the discussion of survey results alone are just part of the inductive theory-building process used by researchers. To strengthen the theoretical outcomes obtained from different research methods and to enable the integration of research findings, researchers then made a comparative analysis across all findings and what relevance they have to each of the major research questions.

The research paper provides the reader with key statistical information regarding the Jordanian economy and its impact on Jordanian's work employment system. It should be noted however, the author should have more explained about the main policy programmes initiated over the years and their impact on the HRM policies and function in Jordan. The unstable economic and political environment of Jordan has considerably influenced its HRM practices. At the same time, the authors present very detailed analysis of the impact of national culture on Jordanian HRM practices.

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