Chapter 5

An Exploratory Cross-National Study of Information Sharing and Human Resource Information Systems

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ABSTRACT

Information sharing has recently received considerable academic interest because of the importance knowledge management plays in the creation of sustained competitive advantage for global firms. The interest is attributed to the need for achieving higher levels of worker empowerment and effectiveness. However, the existing research in the area lacks an examination of how national differences impact information sharing activities. This study responds to this need by presenting a structured yet exploratory inquiry into factors impacting information sharing and the adoption of Human Resource Information Systems (HRIS) by examining key national differences. Assessing national differences is extended beyond the examination of national culture by including institutional contexts in the study. Using a 22-country sample from the CRANET database, the study suggests there is a significant and predictable variation in the level of information sharing and HRIS adoption in firms from different countries, and that national differences, including cultural and institutional contexts, have an impact on information sharing. The study also indicates that the level of HRIS adoption is positively associated with information sharing. The authors discuss these findings, their implications for research and practice, and address limitations along with opportunities for future research.

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INTRODUCTION

Understanding national differences is critical as organizations continue to expand operations beyond their home borders. However, the study of information sharing and information technology adoption, two key aspects of managing geographically and culturally diverse workforces, has not been fully addressed from a broad-based international perspective in a single research model. In response to this gap in the existing literature, our study focuses on the relationship between national difference, information sharing, and Human Resource Information Systems (HRIS).

National culture, information sharing, and information technology (IT) adoption have become increasingly important topics in managing organizational members and information (Gibson, Porath, Benson, & Lawler, 2007; Luo & Shenkar, 2006; Pfeffer, 2005). Particularly, information sharing and IT are important themes in global business (Griffith, Cavusgil, & Xu, 2008; Torre & Moxon, 2001). For the past decade there has been an increase in attention to such areas as knowledge management (Foss & Pedersen, 2004), participatory management (Ichniowski & Shaw, 1999), organizational learning (Kang, Morris, & Snell, 2007), and strategic use of IT (Alavi & Leidner, 2001). Studies have consistently recognized that people are an important source of sustained competitive advantage. To effectively execute their duties, workers must be well-informed about internal and external conditions of the organization (Pfeffer, 2005). Thus, information sharing through formal and informal systems facilitates employee learning and results in competitive advantage (Gibson et al., 2007).

Both research and practice indicate that IT plays a large role in knowledge management and organizational learning by making firm-wide sharing of organizational, financial, and operational information possible (Alavi & Leidner, 2001; Haines & Lafleur, 2008). In particular, some (Becker & Huselid, 1998; Chow, 2005) of the literature on human resources recognizes information sharing and IT as vital elements for organizations to develop such capability. Increasingly, the role of what is broadly called as HRIS tends to go beyond “automating” and now is becoming “informing” employees and managers through easy access to organizational knowledge (Hendrickson, 2003; Shani & Tesone, 2010). Previous studies have attempted to examine the impact of IT on the level of information sharing in the contexts of technologies such as communication systems and enterprise systems (Alavi & Leidner, 2001; Davernport, 1998), but there has been little research on HR-related IT in relation with organization-wide information sharing.

In addition, as more firms are “going global” for the acquisition of materials and workers, and in the pursuit of additional sales, there has been a large body of research on the role of national difference in many dimensions of firm activities (Ichniowski & Shaw, 1999; Katz & Townsend, 2000; Kogut & Singh, 1988; Niederman, Boggs, & Kundu, 2002; Tellis, Stremersch, & Yin, 2003). Recently, studies have examined the role of national culture on organizational practices such as information sharing (Chow, Harrison, McKinnon, & Wu, 1999; Shin, Ishman, & Sanders, 2007). Most of these studies have focused on only two or three countries and related differences in information sharing, management styles, and others. In this regard, studies using a large sample of data from multiple countries can further advance our understanding of the impact of national culture on information sharing.

Finally, there have been several studies examining the relationship between national culture and IT adoption and usage (Martinsons, 1994; Straub, 1994). However, limited research exists that focuses on HR-related IT in a national culture framework. Related to studying the variation that national difference causes in organizational practices, a growing number of recent studies (Parboteeah & Cullen, 2003; Tsui, Nifadkar, & Ou, 2007; Tung, 2008) suggest the necessity