



MIND THE INTENDED- IMPLEMENTED GAP: UNDERSTANDING EMPLOYEES' PERCEPTIONS OF HRM

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This study aims to shed light on the implementation of HR practices as a key piece of the human resource management (HRM)–performance puzzle. Although the literature suggests that discrepancies between the organization's intended and implemented HR practices are essential to understanding employees' perceptions of and reactions to HRM, little attention has been devoted to this issue. Drawing upon a multiple-case study of German health and social services organizations, we therefore explore the linkages (and potential gaps) between intended, implemented, and perceived HR practices. Our study provides new insights into the underlying mechanisms of this relationship, highlighting an organization's ability to leverage its resources as playing a crucial moderating role in implementing intended HR practices, while employees' expectations of HRM moderate the link between implemented and perceived HR practices. We advance a set of propositions that contributes to a more nuanced, multilevel understanding of the complex phenomenon of HRM implementation. © 2014 Wiley Periodicals, Inc.

Keywords: strategic human resource management, intended and implemented HRM, employees' perception of HR practices, case study

Introduction

Given its theoretical and practical importance, considerable attention has been devoted to the relationship between human resource management (HRM) and performance over the last two decades. While there is indeed some evidence to suggest that HR interventions are positively related to various

organizational and financial performance outcomes (Combs, Liu, Hall, & Ketchen, 2006; Subramony, 2009), insight into the process through which HRM actually contributes to firm performance still remains limited (Becker & Huselid, 2006; Guest, 2011; Jiang, Takeuchi, & Lepak, 2013). In order to unlock the “black box” between HRM and performance, strategic HRM scholars have increasingly turned their attention to examining

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employees' attitudinal and behavioral responses (e.g., job satisfaction, turnover) to HR practices (e.g., Baluch, Salge, & Piening, 2013; Messersmith, Patel, & Lepak, 2011; Nishii, Lepak, & Schneider, 2008).

Identifying differences between an organization's intended HR practices and its implemented practices that employees experience is seen as central to understanding employees'

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reactions to HR practices, and thus the HRM-performance link (Arthur & Boyles, 2007; Khilji & Wang, 2006). Specifically, it has been argued that "any research attempting to demonstrate a relationship between HRM and firm performance stands on firmer ground when assessing the actual practices rather than the intended policies" (Wright & Boswell, 2002, p. 264). The process-oriented approach to HRM highlights the importance of the psychological processes through which employees interpret and respond to the information conveyed in HR practices (Bowen & Ostroff, 2004; Ehrnrooth & Björkman, 2012). HR practices are assumed to bring about the desired employee outcomes only when they are consistently experienced by employees in intended ways (Kehoe & Wright, 2013).

However, despite the increasingly recognized importance of understanding employees' perceptions of HR practices and why they may differ from management's intentions, research on this issue is still in its infancy. While there is, albeit limited, empirical support for divergence between the organization's intended HR practices and employees' experiences thereof (Khilji & Wang, 2006; Liao, Toya, Lepak, & Hong, 2009; Truss, 2001), insight into how this occurs is lacking, as the process of implementing HR practices has been vastly neglected in the literature (Paauwe & Boselie, 2005; Woodrow & Guest, 2014). Instead, existing research focuses almost exclusively on the performance implications

arising from perceptual differences between HR managers and employees regarding the HR practices used in an organization (e.g., Aryee, Walumba, Seidu, & Otaye, 2012; Den Hartog, Boon, Verburg, & Croon, 2013). We address this gap by conducting a multiple-case study that aims to provide in-depth insights into the subtleties and nuances of HRM implementation, thereby contributing to a better understanding of employees' perceptions of HR practices and, ultimately, the HRM-performance relationship. Drawing on Wright and Nishii's (2006) framework, we specifically examine the complex linkages (and potential gaps) between an organization's (1) intended HR practices, (2) its implemented practices, and (3) employees' subjective perceptions of these objectively existing practices.

Exploring the underlying mechanisms of this relationship, this study extends the growing body of process-based research on HRM (e.g., Ehrnrooth & Björkman, 2012; Sanders, Dorenbosch, & De Reuver, 2008) that has mainly considered employee perceptions of HR practices in isolation from the way in which these practices have been implemented. As our central contribution, we develop a set of propositions specifying the conditions under which congruency between intended, implemented, and perceived HRM is likely to occur. These propositions highlight the critical moderating role played by an organization's ability to effectively leverage its resources in avoiding an implementation gap between intended and implemented HR practices as well as employees' expectations of HRM in accounting for an interpretation gap between implemented and perceived HRM. By clarifying the relationships between these and further relevant factors (e.g., agreement among HR decision makers) at the individual as well as the organizational level, this study provides an important step toward a multi-level understanding of the complex phenomenon of HRM implementation.

Conceptual Background

Drawing on the resource-based view (RBV) of the firm, HRM scholars suggest that a firm's HR system—i.e., the "set of distinct but

interrelated activities, functions, and processes that are directed at attracting, developing, and maintaining (or disposing of) a firm's human resources" (Lado & Wilson, 1994, p. 701), rather than single HR practices can be a source of competitive advantage (Barney & Wright, 1998; Colbert, 2004). Accordingly, the combination of interrelated practices creates synergistic effects and makes the advantage difficult for competitors to identify and imitate (Coff, 1997). Yet, as strategic HRM research that draws on the RBV is characterized by a lack of microfoundations in which the firm's internal workings (e.g., individual actions and interactions) remain unspecified (Becker & Huselid, 2006; Foss, 2011), scholars have increasingly adopted a microperspective to unravel the mechanisms through which HR systems influence performance (Kehoe & Wright, 2013; Nishii et al., 2008). In particular, Bowen and Ostroff (2004) distinguish between two interrelated features of an HR system—namely, content and process. The former refers to the set of HR practices that is adopted by a firm to achieve particular objectives. While this component of HR systems has been studied extensively, little attention has been devoted to the process aspect that refers to "the features of an HRM system that send signals to employees that allow them to understand the desired and appropriate responses and form a collective sense of what is expected" (Bowen & Ostroff, 2004, p. 204). Of central importance to employees' shared understanding of HRM, however, are differences between intended and implemented HRM in that employees are often not even aware of the existence of specific HR practices or they are actively discouraged from participating by managers, leading to these practices rarely being used absent a supportive climate (Arthur & Boyles, 2007). In this regard, there is often a gap between "rhetoric and reality" (Legge, 1995), in which HR managers' and employees' perceptions about the diffusion, availability, or quality of HR practices differ (Kuvaas, 2008; Liao et al., 2009; Truss, 2001).

Research on the factors that may account for this gap, however, is scant, focusing primarily on the role of line managers in implementing HR practices. Accordingly, gaps

between intended and implemented HRM can be traced back, for example, to line managers' lack of training in implementing HR practices, lack of interest, work overload, self-serving behavior, and tensions between HR and line managers. HR practices may be reinterpreted and renegotiated by line managers and lower-level employees, thereby leading to variation in the application of the practices (Currie & Proctor, 2001; Purcell & Hutchinson, 2007; Stanton, Young, Bartram, & Leggat, 2010). Den Hartog et al. (2013) found that the higher managers' communication quality, the more likely managerial and employee perceptions of HR practices are congruent. Taking an interpretivist approach to HR systems as meaning-creating devices, Alvesson and Kärreman (2007) demonstrate that despite divergence between intended and implemented HR practices, employees perceived the firm's HR system as supportive and effective. With HRM serving a highly symbolic sense-making function for employees, the effectiveness of HR systems is mainly dependent on the quantity of HR practices and intensity of usage, rather than their quality and rationality. Their study contrasts with evidence that points to the importance of achieving a high degree of consistency between intended and implemented HRM to elicit desirable perceptions of and reactions to HR practices (Bowen & Ostroff, 2004; Khilji & Wang, 2006).

Research on Employees' Perceptions of HRM

The aforementioned process-based approach to HRM is grounded in theories on causal attributions. Attribution theories broadly seek to explain how and why people make causal explanations about specific events (e.g., success and failure) or other people's actions (Heider, 1958; Kelley, 1967; Weiner, 1985). Drawing on Kelley's (1967) attribution theory, Bowen and Ostroff's (2004) conceptual work is based on the assumption that the HRM-performance linkage is likely to depend on the strength of the HR system in place that allows employees to form a shared sense of the behaviors that are expected, supported,

and rewarded by management. Accordingly, the effective implementation of an HR system depends on employees' perceptions of the system's distinctiveness, consistency, and consensus.

First, the distinctiveness of an organization's HR system is conceptualized as a function of its visibility (the degree to which employees have a clear idea of which HR practices are offered), understandability (degree to which the content and functioning of HR practices is clear), legitimacy of authority (degree to which the HR function is perceived as being highly accepted and credible), and relevance (degree to which HR practices are perceived as useful, supportive, and relevant). Next, the consistency dimension encompasses three subcategories—namely, instrumentality (degree to which the cause-effect relationship in reference to the HR system's desired employee behaviors and associated employee consequences is unambiguous), validity (degree of consistency between what HR practices purport to do and what they actually do), and consistency of HR messages (degree of internal consistency of HR practices). Finally, consensus in employees' perception of an HR system depends on the agreement among principal HRM decision makers (e.g., regarding how to design and implement the HR practices) and fairness of the HR system (degree to which HR practices adhere to the principles of distributive, procedural, and interactional justice) (Bowen & Ostroff, 2004; Delmotte, DeWinne, & Sels, 2012; Li, Frenkel, & Sanders, 2011; Pereira & Gomes, 2012).

Empirical evidence supports some of the ideas advanced by Bowen and Ostroff (2004). For example, research shows that HR systems perceived as highly distinctive, consistent, and composed of a broad range of high-performance HR practices are positively related to various HR outcomes such as commitment and job satisfaction, while negatively related to turnover intention (Li et al., 2011; Sanders et al., 2008). Other studies highlight that not only the availability, but also the perceived effectiveness (relevance) of HR practices influences employees' attitudes and behaviors (Chang, 2005; Ehrnrooth & Björkman, 2012).

Specifically, as employees develop beliefs about the extent to which their employer values their work and cares about their well-being, HR practices perceived to emphasize participation, fairness of rewards, and growth opportunities are shown to lead to positive employee reactions (Allen, Shore, & Griffeth, 2003; Nishii et al., 2008).

Method

In this study, we employ a *multiple-case-study* design. As detailed empirical investigations into complex phenomena without stripping the data of their context, case studies provide rich opportunities for generating new insights in research areas where there is little empirical substantiation (Eisenhardt, 1989; Yin, 2009). In particular, it is increasingly recognized that in-depth case studies hold promise for improving our limited understanding of the functioning of HRM (e.g., Truss, 2001; Woodrow & Guest, 2014).

Research Setting and Sampling Strategy

We conducted our case study in the context of nonprofit organizations (NPOs) providing health and social services. In the first phase of our research, we followed a theoretical sampling strategy (Eisenhardt & Graebner, 2007; Patton, 2002) and drew on a homogeneous sample of 11 main welfare associations operating in the federal state of Lower Saxony in Germany. As part of the first phase of our research (spring to summer 2011), in-depth, semistructured interviews with three executive directors, eight board directors, and three HR managers were carried out to assess the organization's goals as well as its stated values and beliefs about employees, the role of HRM in coping with external pressures, and the HR practices used. Based on these interviews, we classified each of the cases according to a theoretically driven sampling frame that accounts for an organization's strategic and employee orientations being the dominant influences on the design of HR systems into one of the four types of HRM architectures: (1) a low strategic and employee orientation, (2) a high strategic and employee orientation,

(3) a low strategic with high employee orientation, and (4) a high strategic but a low employee orientation (for a detailed description of this typology and procedure for categorizing the cases, see Ridder, Baluch, & Piening, 2012; Ridder, Piening, & Baluch, 2012).

This classification of HRM served as a guide for determining further issues of sampling in our study. In the second research phase, we selected four cases out of the wider sample that are representative of HRM for each of the individual quadrants. These four cases exhibit maximum differences in HRM types, thereby providing several possibilities for comparison and increasing the external validity of the results (Strauss & Corbin, 1998). In the following section, we refer to this smaller subset of our sample (Cases A–D). Table I specifies the welfare associations according to their key principles, areas of activity, main constituents, size, and the key informants interviewed in each organization.

Despite Case D being the largest of the four cases in terms of the number of employees, the NPOs are comparable in the scope of their activities as umbrella organizations. In fact, the small to medium-sized Cases A, B, and C provide HR services to a similar number of employees as Case D when accounting for the legally independent subsidiaries they operate (e.g., hospitals, child care centers, and homes for the elderly). As previous research on the HRM-performance link has been predominantly conducted in the context of large for-profit firms (e.g., Hayton, 2003), these smaller organizations offer an interesting research setting. Similar to small and medium-sized enterprises in general (Patel & Cardon, 2010), NPOs face particular challenges in acquiring, developing, and retaining highly qualified employees given limited resources (Guo, Brown, Ashcraft, Yoshioka, & Dong, 2011). Notwithstanding the growing importance of HRM in order to cope with their increasingly competitive environments and rising job demands, small organizations (especially in the nonprofit sector) often lack professional HR structures and systems, with HR activities being characterized as informal

and ad hoc (Festing, Schäfer, & Scullion, 2013; Patel & Cardon, 2010).

Data Collection and Analysis

In the second research phase (summer to fall of 2011), we conducted 15 additional interviews with key informants within the four selected cases. Four HR managers as well as employees from different hierarchical levels and organizational functions (six departmental managers and five lower-level employees) were interviewed to capture a full range of perspectives and allow for data triangulation. Different sets of questions were employed for HR managers and employees. The former were asked to describe, for instance, the organization's HR function or its HR practices, while the latter were questioned about the HR practices implemented in the organization to cross-check this data, in addition to their perceptions of the usage, relevance, and fairness of HR practices. Two researchers conducted each of the interviews, which lasted between 30 and 80 minutes and were digitally recorded and transcribed. Document analysis based on more than 800 pages of public and internal documents (e.g., mission statements, bylaws, annual reports, and presentation materials) supplemented the interview data to check and augment contradictory evidence, thereby enhancing validity by reducing inaccurate data and hindsight or attributional biases (Yin, 2009). These documents helped us to better understand the context and triangulate the data gained from the interviews to identify the HR practices in use (Berg, 2007; Marshall & Rossman, 2006).

The main analysis occurred in several stages of aggregating the data from within-case and cross-case analysis to identify the mechanisms behind the intended-implemented gap.

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T A B L E I Multiple Case Studies and Key Informants

Welfare Association	Key Principles, Areas of Activity, and Main Constituents	Cases	Size of the Umbrella Org. (No. of Employees)	Key Informants	
				1st Research Phase	2nd Research Phase
Association of social movements	Upholds principles of equal representation and social justice while maintaining religious, ideological, and political independence. Promotes its member organizations, which cover a wide range of health and social services for youth, families, elderly, and sick and disabled persons.	Case A	55	Board director	1 dept. manager 2 lower-level employees
		Case B	33	Board director	1 HR manager 1 dept. manager 1 lower-level employee
Religious welfare association I	Protects human dignity; supports people in need; promotes solidarity, freedom, justice, and peace; and follows the socio-religious Christian principles of subsidiarity, individuality, and solidarity. Helps the poor and socially disadvantaged through health and social services in areas of assisted living; long-term, disabled, and eldercare; youth and family welfare; and counseling regarding domestic violence, pregnancy, addiction, learning disabilities, homelessness, legal offenders, debt, and migration.	Case B2	150	Board director	
		Case B3	38	HR manager	
International welfare association	Follows the principles of humanity, impartiality, neutrality, interdependence, voluntary service, unity, and universality. Provides health, long-term, and eldercare; emergency medical services; childcare; youth services; services for migrants and in disaster areas; and services to its member organizations.	Case C	90	Executive director	2 HR managers 2 dept. managers 1 lower-level employee
		Case D	1,300	Board director	1 HR manager 2 dept. managers 1 lower-level employee
Workers' welfare association	Emerged historically out of the workers' movement and follows the values of democratic socialism: solidarity, tolerance, freedom, equality, and social justice. Provides a range of health and social services for socially disadvantaged youth, families, elderly, sick, mentally ill, disabled, and homeless persons through counseling services in reproductive health, addiction, unemployment, debt, and migration.	Case D2	1,400	Executive director	
		Case D3	3,000	Executive director HR manager	
Religious welfare association II	Orients its activities to the Bible, respects human dignity, and acts as a service community to provide help for the socially disadvantaged while proclaiming the religious mission in the Gospel. Provides social welfare services in social care, health care, and education in the areas of eldercare, support for the unemployed and disabled, youth and family welfare, health care, and migration issues.	Case E	1,900	Board director HR manager	
		Case E2	102	Board director	
		Case E3	70	Board director	

Stage 1: Within-Case Analysis: Coding the Data and Constructing Case Stories

This stage of the data analysis comprised two steps. First, we performed initial coding of the interview data using relevant theoretical constructs from HRM research. For example, codes pertaining to HR system features of distinctiveness, consistency, and consensus (Bowen & Ostroff, 2004) were carefully defined in accordance with the literature so that each author had a similar understanding of the codes. Remaining open to themes emerging from the data, codes were also used to initially aggregate the data that retained interviewees' terms or were descriptive phrases summarizing the data (e.g., "match between organizational values and HR practices") (see Gioia, Corley, & Hamilton, 2013; Maitlis & Lawrence, 2007). At least two of the authors independently coded the interview data for each case. In the second step of the within-case analysis of Stage 1, case stories were constructed from the joint analysis of the coded interview data, which were supplemented by public and internal documentary evidence cross-checking—for example, the implementation of intended HR practices through internal assessments of the HR processes. In order to maintain the independence of replication logic (Yin, 2009), we strictly treated each case as a distinct analytical unit, with each author solely creating a narrative for one case, which led to studying each case in depth before examining successive cases (Eisenhardt & Graebner, 2007; Miles & Huberman, 1994). Following Langley (1999), the four case stories that traced a narrative from the organization's HR goals and activities to employees' usage of the HR practices served as a validation tool for subsequent analysis rather than presenting a theoretical account at this preliminary stage.

Stage 2: Cross-Case Analysis: Building Broader Analytical Categories

As the analysis progressed, cross-case comparisons revealed differing patterns concerning management's intended HR practices and employees' experience of their implementation. Cycling back and forth between our

data and the HRM literature, we developed analytical categories that represent a further step in data reduction (Strauss & Corbin, 1998). These broader empirically grounded categories were induced by the analytical technique of pattern matching (Yin, 2009) in which theoretical patterns were compared with empirical patterns to confirm the guiding theoretical assumptions, or modify them based on the new categories emerging from the data that the theory has not yet accounted for. Drawing out the commonalities and differences across the cases (Miles & Huberman, 1994), each case was scored from low to high along these categories underlying intended, implemented, and perceived HRM. Seeking out recurring empirical regularities across these individual categories to move up the ladder of abstraction (Guba, 1978), the output of this cross-case analysis yielded higher aggregated patterns for each case, such as "agreement about ambitious intentions."

Stage 3: Identifying Mechanisms Underlying the Intended-Implemented Gap

In the final stage of the data analysis, we followed up on divergent findings through returning to the raw data and iterating the findings with the literature as we developed our emerging theoretical explanations (Edmondson & McManus, 2007; Eisenhardt, 1989). Using content-analytic matrices (Miles & Huberman, 1994), we repeatedly compared and contrasted the conditions under which an intended-implemented gap occurred across the cases. This method of constant comparison (Glaser & Strauss, 1967) was repeated in several cycles until a point of saturation had been reached in which no new insights could be gleaned from the data. As a result of this iterative process, we identified several mechanisms that account for the intended-implemented gap (or lack thereof)—most notably, the "effectiveness of leveraging resources" and "employees' expectations of HRM" as variables moderating the linkages between intended, implemented, and perceived HRM. By verifying these relationships with the data from which they are derived, a complete chain of evidence is ensured from

the empirically grounded analytical categories to the set of propositions we develop (Yin, 2009).

Findings

The empirical findings for each individual case are presented along the aforementioned categories of *intended*, *implemented*, and *perceived* HRM, as adapted from Wright and Nishii (2006).¹ First, intended HRM represents decision makers' desired HR practices,

Due to the short-term, fragmented perspective that prohibits a coherent HR program, perceived HRM [for the modest approach] entails that employees are only aware of a few HR practices in the organization and do not experience their continuous usage.

which can be the outcome of an HR strategy. Second, implemented HRM describes the practices that objectively exist (are used) in an organization. This category is based on the observation that "not all intended practices are actually implemented, and those that are may often be implemented in ways that differ from the initial intention" (Wright & Nishii, 2006, p. 11). Finally, perceived HRM refers to employees' subjective perceptions and interpretations of the HR practices that are implemented in an organization. Though individual employees may perceive specific HR practices differently, it is argued that shared perceptions among employees about the organization's HR practices are likely to emerge given social interaction and socialization processes (Kehoe & Wright, 2013). Table II summarizes the underlying categories that characterize intended, implemented, and perceived HRM in the selected cases.

Case A

Regarding the organization's overarching principles for managing its staff, the focus of *intended HRM* in Case A reflects both a low strategic and employee orientation. Specifically, HRM is characterized by a short-term fragmented perspective and concentration on executing operational tasks, with employees being viewed as expenditures rather than valuable investments. For example,

switching to a wage structure with lower pay and conditions for the employees allowed the organization to reduce personnel costs, which the board director viewed as a very "fortunate situation [...] whereas the other associations did not do that for ideological reasons" (Case A: Int. 1, p. 11). Decision makers agree broadly on the administrative, low-cost approach to HRM, which entails that only a low range (i.e., the number, content, and complexity of HR practices) of basic HR practices is intended. These practices include training, compensation, and contract management (Case A: Doc. 5, p. 65).

With regard to *implemented HRM*, this agreement about modest intentions enables the organization to channel its limited resources into fully implementing its HR practices. In this respect, Case A consistently pursues the adoption of practices that provide the organization and its members with financial incentives, such as tax benefits from company cars. Reflecting the intended pragmatic approach in Case A, which does not "have HRM that you would refer to or call by that name" (Case A: Int. 2, p. 2), the HR function is decentralized with departmental managers carrying out HR activities beyond compensation and contracts.

Due to the short-term, fragmented perspective that prohibits a coherent HR program, *perceived HRM* entails that employees are only aware of a few HR practices in the organization and do not experience their continuous usage. Nevertheless, employees receive consistent messages about the espoused administrative function of HRM through the enacted HR practices and perceive a high degree of fairness in accessing these HR practices—for example, equal opportunities to use training upon individual request. These employees' perceptions are indicative of their relatively low expectations of HRM. When questioned about the provision of few HR practices, an employee in Case A (Int. 3, p. 14) responded with "I am really satisfied with that." As the employees are not very demanding in what they expect from their organization's HRM, employees can be characterized as satisfied non-demanders whose low expectations are met by implementing a few basic HR practices.

TABLE II Patterns for Intended, Implemented, and Perceived HRM

Categories	Case A	Case B	Case C	Case D
Intended HRM				
<i>Focus of HRM</i>	Low strategic and employee orientation: HRM focuses on administrative tasks	Low strategic orientation/ high employee orientation: HRM focuses on employee well-being	High strategic orientation/ low employee orientation: functional view of HRM as a means to realize the strategic goals	High strategic and employee orientation: enhancing employee skills and well-being to achieve strategic objectives, but also a goal in and of itself
<i>Agreement among HR decision makers</i>	High : agreement about the administrative HR function with low HR investments	High : consensus that the HR programs should support the needs of employees for their own sake and value	Low : lack of agreement about the desired HR strategy and how to achieve it	High : agreement that substantial HR investments are needed to achieve organizational goals
<i>Range of HR practices</i>	Low : few, basic administrative HR practice	Low : few, basic employee-oriented HR practices	High : wide-ranging, sophisticated HR practices	High : wide-ranging, sophisticated HR practices
→ <i>Pattern</i>	<i>Agreement about modest intentions</i>	<i>Agreement about modest intentions</i>	<i>Disagreement about ambitious intentions</i>	<i>Agreement about ambitious intentions</i>
Implemented HRM				
<i>Degree of implementation of intended HR practices</i>	High : implemented the low range of intended HR practices	High : implemented the low range of employee-oriented HR practices	Low : partially implemented the high range of intended HR practices	High : implemented the high range of intended HR practices
<i>Degree of centralization of the HR function</i>	Low : absence of a stand-alone HR department, decentralized HR activities (beyond pay and contracts)	Low : administrative-oriented HR department, decentralized HR activities (beyond employment law)	Low : strategically oriented HR department, yet departmental managers carry out most HR activities	Medium : top-down implementation by strategic HRD staff unit, yet training is decentralized
→ <i>Pattern</i>	<i>Full implementation of a modest HR program</i>	<i>Full implementation of a modest HR program</i>	<i>Incomplete implementation of an ambitious HR program</i>	<i>Full implementation of an ambitious HR program</i>
Perceived HRM				
<i>Visibility of HR practices</i>	Low : employees aware of few HR practices in the organization	Medium : mainly work-life balance practices are perceived	Low : employees unclear about which practices are available	High : QM system ensures that HR practices are highly visible
<i>Consistency of HRM messages</i>	High : employees receive consistent messages about the administrative function of HRM	High : the organization's espoused values are perceived as enacted through HR practices	Low : employees receive inconsistent messages through HR practices	High : HRM is perceived as being consistent with the organization's values

(Continued)

TABLE II Patterns for Intended, Implemented, and Perceived HRM (Continued)

Categories	Case A	Case B	Case C	Case D
	Perceived HRM			
<i>Continuity of usage of HR practices</i>	Low: lack of continuously used HR practices due to the short-term, fragmented perspective	Low: HRM viewed as lacking formally organized and structured processes	Low: employees view HR practices as informal, unsystematic, and random	Medium: continuously used except for appraisal interviews (due to time constraints)
<i>Fairness of HR practices</i>	High: equal opportunities to use HR practices upon request	High: equal access to HR practices perceived	Low: lack of fairness perceived (e.g., unequal pay)	High: perception that performance is adequately valued and rewarded
→ <i>Pattern</i>	<i>Employees: satisfied non-demanders</i>	<i>Employees: satisfied non-demanders</i>	<i>Employees: disappointed demanders</i>	<i>Employees: satisfied demanders</i>

QM = Quality Management.

Case B

Unlike the low employee orientation in Case A, *intended HRM* in Case B is characterized by a focus on developing and retaining their employees that stems from humanistic-oriented HR principles of employees being worth investing into per se. This high employee orientation occurs at the expense of a clear strategic intent as Case B will, for example, “finance trainings that the employee is doing for himself even if he is only able to use a bit of it for the organization” (Case B: Int. 1, p. 15). Given decision makers’ consensus about employee well-being as the purpose of HRM, Case B is willing to invest in their employees’ needs. Yet, in the absence of a clear strategic perspective and professionalized HR function, only a limited number of basic work-life balance HR practices are intended (e.g., flexible working hours) (Case B: Docs. 2, 4), reflecting the agreement about modest intentions in HRM.

Concerning *implemented HRM*, the manageable number of HR practices that are focused on supporting the needs of the employees are implemented as part of total quality management (TQM) within the organization (Case B: Doc. 2, pp. 96–105). The full implementation of intended HR practices is broadly supported by a generous HR budget, given that the organization is on “a blessed island because they have done well financially with their given resources” (Case B: Int. 2, p. 10). Consistent with the employee-oriented

approach to HRM in which the departmental managers are best equipped to address the specific needs of their employees, the line managers predominantly carry out the HR function beyond the area of employment law. As “lone warriors” personally responsible for their training opportunities, these departmental managers place a strong emphasis on “involving the employees [...], developing and setting goals together” (Case B: Doc. 5, p. 9).

Given the focus on employee well-being without strategic intent, *perceived HRM* entails that employees are mainly aware of the work-life balance practices, yet view the provision of HR practices as unsystematic and lacking formally organized and structured processes from the executives. For example, one of the departmental managers in Case B (Int. 3, p. 8) admitted that HRM “just works on its own somehow.” Employees receive consistent HRM messages in which the organization’s espoused values, such as balancing a career with family, are enacted through the implemented HR practices. Finally, employees perceive a high degree of fairness given the equal access to HR practices, for example, “it is watched out for that everyone is treated equally” with regard to the provision of training (Int. 4, p. 7). Similar to Case A, despite the low visibility and lack of continuous usage of HR practices, employees’ relatively low expectations toward HRM are met through the provision of basic employee-oriented

HR practices, pointing to an employee type of satisfied non-demanders.

Case C

In contrast to the low strategic orientation of *intended HRM* in the previous cases, a strong alignment between organizational strategy and HR activities is intended in Case C. The high strategic and low employee orientation is illustrated in the functional view of employees among decision makers: "a satisfied employee who is qualified in his field will do a good job ultimately and then will follow the organization's goals and that is really a means to an end" (Case C: Int. 2, p. 12). Yet, there is a lack of agreement within the HR department about the strategic goals and the means to achieve them (e.g., devolving HR tasks to departmental managers vs. initiating several new HR projects). As one HR manager notes, "[r]ealistically you have to see what you actually have time for... I am not in consensus with my colleague who follows many, many goals that all come from textbooks. And that is where I say that we can't achieve that with our staff level" (Case C: Int. 2, p. 12). The wide range of intended sophisticated HR practices—for example, strategic HR planning and career development (Case C: Doc. 2)—emerges in part out of the discord among the organization's decision makers about their HR strategy. Reflecting this disagreement about ambitious intentions in HRM, one HR manager commented about this multitude of HR projects that "one process should be started and finished consequently rather than having 1,000 processes running parallel and here another project and there another external consultant and so on ..." (Case C: Int. 2, p. 8).

In terms of *implemented HRM*, the data reveals that HR managers initiate several new HR projects simultaneously but fail to follow through on their implementation, leading to a partial implementation of the high range of intended HR practices in Case C. As one of the HR managers stated: "We started our goal setting and performance appraisal system and that was a point in which our former executive director who initiated it switched to another organization and the whole thing

sort of just disappeared into nirvana" (Case C: Int. 2, p. 6). Despite sufficient resources—i.e., "these are qualified people and there is money—we are not about to go bankrupt" (Case C: Int. 5, p. 12)—Case C is unable to leverage these resources to implement its intended HR practices. Instead, the HR department admits in an internal document that it has not achieved a "strategic orientation with its HR processes" but has a "decentralized form with isolated applications" (Case C: Doc. 1, p. 16). As the line managers carry out the HR function without being centrally steered by the HR department, managers are forced to "muddle through" by informally using the HR practices they deem helpful in coping with the work environment (e.g., performance appraisal) (Case C: Int. 5, p. 5).

Perceived HRM reflects this incomplete implementation of the ambitious HR program. Employees are not aware of which HR practices are available in the organization (low visibility) and view these practices as informal, unsystematic and "happening only randomly if at all" (Case C: Int. 5, p. 3). For example, a departmental manager addressed this lack of continuity as "there was supposed to be annual feedback with employees [...] but after one year they stopped this" (Case C: Int. 5, p. 3). In addition, employees receive inconsistent messages about the implemented HR practices. Most notably, the HR department encourages personnel development but reproaches the managers using these HR practices for having too much time when sending employees to training. As one of the departmental managers commented, "I received the notice in writing from the HR department: 'as long as we have the time to send our employees to training courses, then [our workload] really cannot be that bad.' I think that it is a bit weird" (Case C: Int. 5, p. 12). Moreover, employees perceive a lack of fairness, which results, for example, out of the arbitrary distribution of bonuses to managers

As the line managers carry out the HR function without being centrally steered by the HR department, managers are forced to "muddle through" by informally using the HR practices they deem helpful in coping with the work environment.

and unequal pay structure between newly hired and long-term employees, which has been referred to in the organization as a “two class society” (Case C: Int. 3, p. 3). In contrast to Cases A and B, in which employees’ relatively low expectations of HRM are met, employees in Case C can be characterized as disappointed demanders. Instead of the HR practices provided by the HR department fulfilling employees’ higher expectations in aiding the completion of job tasks, the departmental manager replied laughing that “I have to disappoint you there and answer that with a clear no” (Case C: Int. 4, p. 5).

Case D

Regarding *intended HRM* in Case D, the high strategic and employee orientation is based on the principle that enhancing employees’ skills and well-being through HR practices is not only a means to achieve the organization’s strategic objectives (e.g., service quality), but also a goal in and of itself (Case D: Int. 1, p. 4). Unity among the executive director and HRD manager about the strategic importance of HRM ensures that consistent, substantial investments are made in HR activities and structures. As a consequence, the HR system is composed of a variety of sophisticated HR practices (e.g., selective staffing, appraisal interviews, employee attitude surveys) (Case D: Doc. 1, p. 50).

In terms of *implemented HRM*, this ambitious HR program is fully implemented given the broad agreement about the means to achieve both the strategic and employee-related goals of HRM through aligning HR functions, structures (e.g., controlling and TQM systems), processes, and practices. Unlike the other cases in which HRM is also carried out by line managers, Case D provides an illustrative example of achieving a vertical fit with the organization’s strategic goals despite the decentralized HR function. The departmental managers are not only guided in using the HR practices as originally intended by supporting TQM and controlling systems, which have a strategic steering function, but also through top-down implementation that is coordinated by the HRD staff unit. As the HRD departmental manager noted, “If you implement the concept,

system or rule, we then bring it to the departmental managers—i.e., in general, information or training is given. What they then decide to do [in the implementation] is up to them. We do have evaluation and control feedback loops though” (Case D: Int. 2, p. 11).

These systems as well as formal and informal information channels have implications for *perceived HRM*, enhancing the visibility of the available HR practices in the organization. As one of the departmental managers in Case D noted, “It is secured through our TQM that there is a training and development plan that is coordinated. It’s not just where the employees’ individual suggestions are, but also the institutional directors’ perspectives about the gaps in our organization and where someone should get further training and if so, who should participate” (Case D: Int. 4, p. 5). In addition, most HR practices are continuously used due to their consistent top-down implementation and steering through the strategic HRD staff unit. Employees receive consistent messages about the organization’s espoused values (e.g., equality and transparency) through the enacted HR practices. Pertaining to the organization’s conviction to the value of equality in Case D (Int. 5, p. 6) as seen in offering dignified compensation, one of the employees noted that “I think it is legitimate to say that [our services] are more expensive, but no one who works for us earns below a minimum wage.” Finally, employees perceive a high degree of fairness as their performance is valued and rewarded by their employer through, for instance, fair pay or opportunities for personal development. Overall, the data suggest that the employees in Case D have high expectations toward HRM, which are met through effectively delivering a wide range of sophisticated HR practices. The employees can hence be labeled as satisfied demanders.

Toward an Understanding of Implementation and Interpretation Gaps in HRM

Based on the findings presented here, we advance a set of propositions specifying the conditions under which congruency between intended, implemented, and perceived HRM

is likely to occur. These propositions reveal the mechanisms underlying an *implementation gap* between intended and implemented HR practices as well as an *interpretation gap* that refers to discrepancies between the implementation of HRM and employees' perceptions thereof. Table III summarizes the categories that emerged from our analysis as capturing intended, implemented, and perceived HRM and, hence, form the basis for developing the propositions.

As depicted in Table III, our study highlights the *effectiveness of leveraging resources* as playing a crucial moderating role in implementing intended HR practices and *employees' expectations of HRM* as moderating the link between implemented and perceived HR practices. Following Helfat and Peteraf (2003, p. 999), we understand a resource as "an asset or input to production (tangible or intangible) that an organization owns, controls, or has access to on a semi-permanent basis." Leveraging resources involves taking actions that mobilize, coordinate, and deploy a firm's resources in order to create value (Sirmon, Hitt, & Ireland, 2007). In this study, leveraging resources specifically refers to the extent to which an organization is able to configure its financial, structural, and personnel resources to form HR capabilities that support the implementation of HRM. The second identified moderator, employees' expectations of HRM, suggests that employees form expectations about their employer's intentions and attitudes toward them based on their experiences with the HR practices enacted by the organization in the past (Bowen & Ostroff, 2004). Our data suggest that in organizations that have previously made low HR investments, employees have lower expectations toward HRM than in those with traditionally comprehensive HR systems. These expectations shape employees' perceptions of the organization's current HR activities.

Conceptualizing the Implementation Gap Between Intended and Implemented HR Practices

Our analysis revealed that the four cases vary in their implementation of HRM. While Cases

A, B, and D completely implemented their respective intended HR practices, Case C only achieved a partial implementation of its HR practices. Interrelationships among the factors underlying intended HRM are vital for understanding this *implementation gap*. It is striking that Cases A, B, and D achieved congruency between intended and implemented HRM despite substantial differences in their focus of HRM (i.e., administrative, oriented toward employee well-being, or bridging strategic and employee needs) as well as their range of HR practices (i.e., few, basic, or far-ranging, sophisticated HR practices). The high degree of agreement among principal decision makers about intended HRM appears to be a common underlying factor of these cases, whereas a lack of consensus about the goals and design of HRM impedes the implementation of HRM in Case C. Agreement among principal decision makers is likely to produce greater consistency in delivering HR practices, as this consensus serves as a guideline for designing and carrying out HRM. Yet, this agreement alone is insufficient for understanding the full complexity of the link between intended and implemented HRM. Instead, the data yield a more nuanced picture of HRM implementation in which the congruency in Cases A, B, and D can also be traced back to these organizations channeling the available financial resources to support the implementation of HR practices. Alongside disagreement about an ambitious HR program in Case C, the analysis reveals a partial implementation of HRM arising from the organization's inability to leverage its available resources. Despite having sufficient financial resources, Case C does not make the necessary investments in HR staff, structures, and systems (e.g., TQM) that are critical for implementing the multitude of HR projects. In light of the decentralized approach to HRM observed across all of the cases, these systematic HR investments increase the likelihood that

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TABLE III Description of the Emergent Categories

Categories	Description	Illustrative Quotes
Intended HRM		
<i>Focus of HRM</i>	Organization's overarching principles for managing its staff, which reflects differing degrees of strategic and employee orientations. Strategic orientation refers to the degree to which HR activities are proactively directed toward achieving the organization's strategic goals (as opposed to an administrative orientation) that are driven by values, missions, and stakeholder expectations. Employee orientation describes the extent to which organizations view employees as valuable resources (as opposed to being seen as a cost factor) and focus on employees' needs, motivations, and development in their HR activities.	Strategic orientation: "My basic position is quite simple: We need less people, but better people in order to reach our goals... we are going to have fewer employees in the future if we want to pay them more in order to get and retain better employees" (Case C: Int. 1, p. 8). Employee orientation: "Personal responsibility, especially in terms of the working hours [...] we don't constantly check that in the sense of control; instead it has to do with trust so that [the employees] have scope" (Case B: Int. 1, p. 19).
<i>Agreement among HR decision makers</i>	Degree to which the principal HR decision makers agree about the HR goals of the organization and how to achieve these goals.	"And that's why I am of another opinion. It is worthless to [...] start any kinds of instruments that sound great and show what we do and how we are a modern firm if our basic processes don't work. [...] All the management and personnel development processes and all is chic and nice, but I believe that the basic work has to be done first and everything else can be on top" (Case C: Int. 2, p. 13).
<i>Range of HR practices</i>	Number, content, and complexity of HR practices, ranging from few basic HR practices to a wide variety of sophisticated HR practices.	"[Strategic HRM] has a range [of practices] in our organization that is growing and becoming broader and broader." (Case D: Int. 2, p. 1).
<i>Effectiveness of leveraging resources</i> → <i>Moderator</i>	Extent to which an organization is able to configure its financial, structural, and personnel resources to form HR capabilities. These capabilities can, for example, take the form of specific processes, structures, and systems (e.g., TQM) that support the implementation of HR practices.	"We also have a system for that. The manager uses these feedback talks to write down what skills are needed. These are collected so no one can get around this. As an example, we always observed that the training budgets were decreasing in the childcare centers because no one was steering that. [...] So then we also have corresponding guidelines that you have to take part in training in certain periods or we bundle all of that through a central pool of training measures" (Case D: Int. 1, p. 11).
Implemented HRM		
<i>Degree of implementation of intended HR practices</i>	Degree to which the organization's HR practices are used as frequently, consistently, or assiduously as originally planned.	"At the moment we are so caught up in the operational, administrative processes that we don't have time to lift up our heads and look beyond [...] And that's what ultimately led to the failure of our goal setting and performance appraisal system" (Case C: Int. 2, p. 9).

TABLE III Description of the Emergent Categories (Continued)

Categories	Description	Illustrative Quotes
Implemented HRM		
<i>Degree of centralization of the HR function</i>	Degree to which HR activities are centrally planned, implemented, and steered by the HR function/department.	"The administrative department is not responsible for HR activities. [...] They do payroll and everything with employment law. But HRM—that is done by the departmental managers..." (Case A: Int. 2, p. 3).
<i>Employees' expectations of HRM</i> → Moderator	Employees' expectations about their employer's intentions and attitudes toward them as well as the level of support they receive. These expectations are based on their experience with the HR practices enacted by the organization in the past.	"Maybe I just take all of it for granted that I am [satisfied]... We each have our own office, which I really appreciate. Those are all the working conditions. We have procedures for training and we can take annual leave when we want to. [...] These working conditions were different under our previous director. There were other things, things weren't so clearly structured previously like training. [...] There were differences, but now it is clearly regulated" (Case B: Int. 3, pp. 13–14).
Perceived HRM		
<i>Visibility of HR practices</i>	Degree to which employees have a clear idea of which HR practices are offered.	"This type of offer [employees being informed about the practices] is still somewhat non-existent... I don't perceive that there is a routine or regular suggestions or a procedure of communication. That kind of communication between the departments and HR department is presently not continuous" (Case C: Int. 4, p. 3).
<i>Consistency of HRM messages</i>	Degree to which HR practices send consistent messages about the behaviors that are expected and rewarded in the organization; congruence between words and deeds.	"We have a lot of female employees and I think they are here because you can combine this job with family [...] and the organization follows through on that" (Case B: Int. 4, p. 8).
<i>Continuity of usage of HR practices</i>	Degree to which HR practices are systematically used over time.	"According to our quality management system, [goal setting] is once a year. Because my boss had to do 60 of these talks a year, he asked if a few people would have it every two years. We said, no problem, we'd like that every two years. It works wonderfully" (Case D: Int. 5, p. 4).
<i>Fairness of HR practices</i>	Degree to which the access to HR practices and the allocation of outcomes is perceived as fair.	"[With regard to stagnant wages], the employer knows and takes advantage of the fact that many people love their job and wouldn't switch because they could earn more somewhere else. They know that and use that. And I personally don't think that is fair" (Case C: Int. 5, p. 9).

departmental managers will carry out the HR activities as intended. Taken together, the cases reveal that there must at least be agreement among decision makers about HRM intentions ("what to do") to avoid an

implementation gap, which is especially unlikely to occur when organizations are effective in leveraging their resources into developing appropriate HR structures, systems, and processes ("how to do"). Thus:

Proposition 1: When there is agreement among HR decision makers about the intended HR practices, organizations that leverage their resources effectively are more likely to achieve congruency between intended and implemented HRM.

Moreover, the case data suggest that the organizations face different demands in leveraging resources that are associated with differences in their intended HRM. This observation is reflected in the cases with ambitious intentions toward HRM (Cases C and D) in which channeling financial resources into the development and usage of supporting structures (i.e., such as controlling and TQM systems) is pivotal in implementing more comprehensive HR systems. In particular, when HRM is intended to play a more strategic role, which is characterized by a greater number and complexity of HR practices that must be vertically and horizontally aligned, professional HR structures guide managers in implementing HR practices as originally intended. In contrast, when the range of HR practices is limited to fundamental administrative tasks or employees' basic needs (Cases A and B), organizations are faced with a less demanding implementation task. The data demonstrate that in these cases the manageable number of HR practices is implemented without requiring extensive investments in supporting HR structures and processes. Therefore:

Proposition 2: The higher the organization's range of intended HR practices, the more the congruency between intended and implemented HRM depends on the organization's effectiveness in leveraging resources.

Conceptualizing the Interpretation Gap Between Implemented and Perceived HR Practices

Cross-case analysis has shown that achieving congruency between intended and implemented HRM is a necessary condition for employees to perceive HRM in accordance with management's intentions. On the one hand, the employees in Case C are aware of inconsistencies in the organization's

implementation of HR practices. As a result, HR practices are perceived as having a low degree of visibility, continuity of usage, and fairness, with HRM messages being viewed as highly inconsistent. On the other hand, in Cases A, B, and D in which HRM was implemented as intended, HRM messages are experienced by the employees as being consistent with the organization's espoused goals and values. However, in these cases, discrepancies can be observed between the implementation of HRM and employees' perception thereof. Despite differences in the content and extent of the respective HR systems (modest vs. ambitious), employees' demands are satisfied with regard to HRM (e.g., HR practices are viewed as fair). Strikingly, the analysis reveals that employees have relatively similar perceptions about HR programs, which are contrary in their aims and differ in their comprehensiveness (e.g., administrative cost-cutting or strategic). This *interpretation gap* between implemented HR practices and employees' perceptions can be traced back to employees' expectations of HRM. Employees are shown across the cases to differ in their expectations, for example, regarding the support that can be gained from the HR department. Given the traditionally low investments in employees in the organizations pursuing a modest approach to HRM, employees are not very demanding in what they expect from their organization's HRM. In Cases A and B, these low expectations of employees are met despite perceiving low visibility and lack of continuity in the implemented HR practices. With increasing expectations toward HRM as observed in the organizations characterized by ambitious HR programs (Cases C and D), the implementation of HR practices gains in importance for shaping employees' perceptions of HR practices. These cases reveal that beyond achieving a high degree of implementation of intended HR practices in terms of these practices being used in some way or another in the organization, the sophistication of HRM (e.g., strategic relevance of implemented HR practices) in addition to how well HR practices are delivered in the organization (e.g., their continuity of usage by managers) matter. In sum:

Proposition 3: The higher the employees' expectations of HRM, the more likely the implementation of HR practices will influence whether employees perceive HRM as intended.

Discussion

The main contribution of this study to the HRM literature is the development of propositions that specify the conditions under which congruency between intended, implemented, and perceived HRM is likely to occur. Although prior research confirms that implemented HR practices can diverge substantially from managers' original intentions (e.g., Truss, 2001), insights as to why this occurs remain limited given the paucity of research on the implementation process of HRM (Woodrow & Guest, 2014). Our findings contribute to a more nuanced view of HRM implementation than previous research that has widely conflated employees' perceptions of HR practices with the implementation of HRM. By providing initial empirical evidence of the mechanisms underlying the gap between intended and implemented HR practices (*implementation gap*) as well as between their implementation and employees' perceptions of HRM (*interpretation gap*), this is one of the first studies to integrate the organizational and individual processes fundamental to HRM implementation. Pointing to the complexity and breadth of this phenomenon, our findings highlight that gaining insight into the reality of employees' experience of HR practices requires considering the relationships among a variety of factors at the organizational (e.g., centralization of the HR function) and individual (e.g., employees' expectations of HRM) levels.

Theoretical Implications

Extending prior research adopting a process-based approach to HRM that focuses predominantly on the relationship between perceived HRM and its performance implications (Aryee et al., 2012; Nishii et al., 2008), our study suggests that further attention should be directed toward the antecedents of employees' perceptions of HR systems. In particular, our

findings concerning (1) key features of HR systems, (2) employees' expectations about HRM, and (3) management's implementation approach entail important theoretical implications.

First, at a broad level, this study supports the assumption that the strength of the HR system shapes employees' perceptions of HRM (Bowen & Ostroff, 2004; Delmotte et al., 2012; Sanders et al., 2008). Of the process features of HR systems identified by Bowen and Ostroff (2004), our findings point to the visibility of HR practices, consistency of HRM messages, continuity of usage of HR practices, and fairness of HR practices as the relevant categories that characterize the way employees perceive the organization's HR practices. We observed, for instance, that expanding the range of implemented HR practices enhances the visibility of HRM within the organization, which can be attributed to the set of practices being more present in employees' daily work routines and activities relative to other stimuli (Alvesson & Kärreman, 2007). In contrast, other HR system aspects such as the understandability of HR practices did not emerge from our analysis as integral for explaining the discrepancy between the implementation of HRM and employees' perceptions thereof. As a possible explanation, Bowen and Ostroff (2004) discuss the idea that certain features of HR systems may be more critical than others—for example, without consistent HRM messages, distinctiveness and consensus may lessen in impact.

Second, our study strikingly indicates similar employee perceptions of a dissimilar stimulus (i.e., HR programs that vary in their goals as well as content and complexity of HR practices). For example, administrative HR practices focusing on cost-cutting were perceived as being as fair as HR practices oriented toward employee well-being. While comparable observations have been made by

Our findings contribute to a more nuanced view of HRM implementation than previous research that has widely conflated employees' perceptions of HR practices with the implementation of HRM.

Alvesson and Kärreman (2007), this finding contrasts starkly with other studies showing that depending on the attributions employees make about why HR practices are introduced in a firm, differences in attitudinal and behavioral reactions may arise (Allen et al., 2003; Nishii et al., 2008). In line with prior work suggesting that expectations matter in that they influence people’s attributions about HRM (Bowen & Ostroff, 2004), our study indicates that the similar perceptions of HRM across the cases can be explained by differences in employees’ expectations of HRM. In particular, HR practices send messages to employees about what is expected of them and what they can expect of the organization.

Our study shows that as employees’ expectations of HRM increase, the implementation of HRM gains in importance for employees to perceive HRM in intended ways.

Insofar as employees’ prior experiences with HRM shape their subsequent expectations, employees are likely to have lower expectations toward HRM in organizations that have made low investments in HRM in the past.

Third, our study shows that as employees’ expectations of HRM increase, the implementation of HRM gains in importance for employees to perceive HRM in intended ways. In this respect, the HR function was found to be decentralized to a large extent across the cases. Although HRM is often viewed synonymously with the HR department, previous research has also pointed to

the dominant role of line managers in implementing HR practices (Gilbert, De Winne, & Sels, 2011; Purcell & Hutchinson, 2007). This decentralized approach to HRM can be seen as one of the main reasons for failing to implement HR practices and achieving a strategic integration of HRM. As a potential explanation, the literature suggests that similar to the meaning employees attach to the rationale behind HR practices, managers’ attributions about HR practices may influence how they choose to implement these practices (Guest, 2011; Liu & Batt, 2010). Managers’ differing interpretations of and priorities given to HRM implementation may render it unlikely that employees across the

organization share a common sense of what behaviors are expected and rewarded (Bowen & Ostroff, 2004).

Practical Implications

This study raises several important implications for managers to consider when designing and implementing HR systems, which primarily concern being aware of potential implementation and interpretation gaps. In order to ensure that HR practices are implemented as intended, our findings suggest the importance of leveraging resources by investing in HR personnel and building supporting structures and systems (e.g., controlling and TQM). Effectively leveraging existing resources is especially pertinent for small organizations that are likely to have fewer slack resources to invest in comprehensive HR systems than larger firms. This is in line with RBV theorizing, which proposes that while owning valuable resources is a necessary condition for gaining a competitive advantage, organizations must also possess distinctive capabilities to effectively bundle and deploy these resources (Sirmon et al., 2007). In this respect, HR managers have been ascribed the role of “architects” who can foster the development of capabilities that support HRM implementation by allocating resources to learning activities (see Makadok, 2001).

Furthermore, our findings indicate the challenges that HR departments face in fulfilling multiple roles (e.g., administrative function, strategic partner). In particular, by taking on a purely strategic role yet failing to provide support for the operational implementation of HR practices, HR managers can undermine the consistent usage of HR practices in the organization (Teo & Rodwell, 2007). The distance between the HR department and employees that is created through transferring most HR responsibilities to line managers, as shown in some cases, can result in a lack of trust in the organization’s HR function (Gilbert et al., 2011). A decentralized implementation approach is especially problematic when line managers are unable and unwilling to implement HR practices

as intended. Since line managers are generally not HR experts, they might simply lack knowledge about the HR practices and how to implement them. As such, the HR department is well advised to regularly provide relevant information and training as well as monitor the implementation of HR practices (Gilbert et al., 2011). Specifically, organizational efforts (e.g., regular meetings and newsletters) to improve the flow of information from HR decision makers to line managers and, in turn, to employees might be a promising approach to avoid not only implementation gaps, but also interpretation gaps. This suggestion is in line with studies showing that high communication quality ensures that the HR system is visible, understandable, and sends unambiguous messages to employees (Den Hartog et al., 2013). Not least, frequent and open communication may enable decision makers to assess employees' expectations of HRM and provide them with valuable information about potential problems regarding the content and implementation of the organization's HR practices to ensure they support employees in carrying out their work. In terms of averting interpretation gaps, our study highlights that it is particularly important to ensure the consistency of HRM messages about the behaviors that are expected and rewarded in the organization (Stanton et al., 2010). When top management and HR decision makers cannot agree among themselves on the intended messages, employees are likely to experience HRM as being unsystematic and ineffective. In this respect, our findings indicate that confusion and dissatisfaction arise when employees perceive divergence between the espoused values (e.g., employee development) and the HR practices that are enacted. Thus, our study reinforces the importance of creating a supportive climate that encourages the use of the available HR practices (e.g., by providing employees with time off from work for personnel development) (Arthur & Boyles, 2007).

Limitations and Future Research

We acknowledge that the results of this study should be considered in light of its

limitations. First, the reliance on case-study data from NPOs limits the generalizability of our findings. As the majority of research on the HRM-performance link has been conducted in large for-profit firms, our findings might be specific to the nonprofit context of the present study. By using comparative research designs, future studies could systematically examine similarities and differences between HRM in the private and nonprofit sector and thus clarify whether the relationships observed in this study appear to hold in other contexts as well. Second, although our study provides new insight into the emergence of discrepancies among intended, implemented, and perceived HRM, there are further pieces in the HRM-performance puzzle that remain to be addressed. For example, our study needs to be complemented by research examining how HR strategies are actually generated and subsequently translated (or not) into HR policies. Moreover, ethnographic interpretive enquiries hold promise for shedding light on the processes through which employees individually and collectively attach meaning to certain HR practices and the performance implications arising from their interpretations of reality. Finally, longitudinal research that provides a better understanding of changes among the variables identified in this study over time and potential feedback loops is warranted. For example, longitudinal studies could explore employees' responses to changes in the provision and quality of HR practices and their influence on employees' expectations toward HRM over time, thereby enhancing our limited knowledge of temporal issues surrounding the HRM-performance link (Piening, Baluch, & Salge, 2013). Despite these limitations, we believe that this study provides a valuable starting point for future research on the complex linkages between intended, implemented, and perceived HRM.

Our study reinforces the importance of creating a supportive climate that encourages the use of the available HR practices (e.g., by providing employees with time off from work for personnel development).

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Note

1. Wright and Nishii's (2006) distinction between intended, implemented (which they refer to as actual HRM), and perceived HRM provides an

extension to the common dichotomy of intended and implemented HRM, which merely highlights potential differences between managerial and employee accounts of whether and how HR practices are used by an organization. This may suggest that decision makers often have a somewhat unrealistic perception of what is going on in their organization. The notion of intended HRM as proposed by Wright and Nishii (2006) implies, however, that managers can be quite aware that certain HR practices have not been implemented as originally intended. Implementation failure (a gap between intended and implemented HRM) occurs when an HR practice is used less frequently, less consistently, or less assiduously than planned.

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