TECHNOLOGY CHANGES HUMAN RESOURCES ROLE: 
DIVERGENCE VERSUS CONVERGENCE DEBATE 
– A CASE STUDY ON SLOVAKIA AND THE UNITED KINGDOM

ZUZANA KALMÁROVÁ

Abstract
Globalization and adoption of technology have a huge impact on human resource management (HRM). As a result, the human resource role has become more strategic. The logical question arises: Will the human resource (HR) practices be standardized? The research question of this paper is whether the HR policies adopted in the United Kingdom will also be implemented in Slovakia. The aim of this paper is to critically evaluate the divergence versus convergence debate applied on the case of Slovakia and the United Kingdom. Firstly, the impacts of technology on the HR role followed by the explanation of how technology changes HRM will be discussed. The theories of universalists vs. contextual paradigms, and cultural vs. institutional explanations will be introduced as they underpin the main hypothesis of the research. Secondly, convergence versus divergence debate will be briefly discussed followed by the analysis of the case study. Lastly, recommendations and conclusion based on evidence will be provided. The case study will be used as a research strategy and evidence from previous research will be compared and critically analyzed. The results show that there is no consensus on what exactly ‘business partner’ is and what strategic duties an HR manager should have. The Slovak HR policies lag behind the United Kingdom’s human resource management. The impact of communist regime, different historical development and laws implemented in the two countries suggest divergence rather than convergence. However, findings suggest that there is a certain tendency towards the convergence between the United Kingdom’s and Slovak human resource policies. Even though Slovakia uses different HR methods, human resource management is exposed to companies from abroad using highly efficient HR policies. Consequently, more sophisticated methods are implemented in Slovakia. The factors such as the European Union enlargement, globalization, impact of technology, and deregulation and foreign direct investment have a converging tendency. Lastly, Hofstede’s framework suggests that there are significant cultural differences between the two countries. This should be taken into consideration when the standardized human resource policies are implemented.

Key words: human resource management, Slovakia, United Kingdom, convergence versus divergence debate, Hofstede’s theory, technology.

Classification JEL: M12 – Personnel Management

1 Introduction

The advancement of technology over the past decades has changed the human resources (HR) role as well as the way the companies operate in the market. This debate has become of significant importance in the literature. Internet, e-commerce, and global thinking have opened up new opportunities for the function and responsibilities of the HR role. P. Sparrow et al. (2004, p. 1) emphasize that the increasing international flow of goods and foreign direct investment (i.e. internationalization) will speed up the pace of how the nature of human resource management (HRM) is changing.

Consequently, the attention has focused on more strategic issues within the HR role. One of the frequently asked questions is whether HRM has become more strategic. Moreover, the convergence versus divergence debate has also been widely discussed in the literature over the past decades. The theoretical assumption is that if technology is fully applied, HRM will be freed from its administrative tasks and can focus on more strategic issues (Hendrickson, 2003; Ruel et al., 2004). Another impact of technology will be the standardized HR practices which will converge in countries such as Slovakia and the UK.
The aim of this article is to analyze whether the HR policies adopted in the United Kingdom (UK) will also be implemented in other countries such as Slovakia. The main issue is that there are some tensions between the global integration and the need to fulfill the local needs (Evans et al., 2002). In other words, the article will critically evaluate the divergence versus convergence debate in the case study of Slovakia and the United Kingdom; the UK will be used as a benchmark. It will also analyze the gap discussed in the literature in terms of technology which needs to be fully applied in the HR policies in order to concentrate on the added-value (more strategic) services in the firms (Parry, Tyson, 2007, p. 242).

The hypothesis is that the broad adoption of highly sophisticated technology in human resource management will result in a convergence of HR policies in Slovakia towards the United Kingdom’s. The alternative is that Slovakia and the UK differ in many aspects and their HR policies will diverge or they will remain dissimilar.

In order to test the hypothesis, the focus will be on literature review which explains theoretical ideas behind the hypothesis. Secondly, the case study of Slovakia and the United Kingdom will be presented with focus on the Hofstede’s theory and some statistical data from the research on Slovakia and the United Kingdom. The theory will be applied and evidence provided in terms of legislation in the United Kingdom and Slovakia; the extent to which the economies are liberal and influenced by the development of the communist regime, percentage of HR representatives at board level and the use of technology.

Unfortunately, in case of Slovakia the literature is extremely limited and there are only few published books and articles on this topic. Therefore, the purpose of this article is to also fill this gap and present consistent results.

The structure of the article is divided into four parts. Firstly, the globalization and changing HR role are discussed. The main focus will be on how the HR role has changed and the impacts technology has on human resource management. Moreover, the universalist versus contextual paradigms as well as the cultural versus institutional explanations will be introduced in this section. Second part will give an overview of the convergence versus divergence debate (literature review). Thirdly, the HR policies in the UK and Slovakia will be analyzed (case study) and finally, the conclusion will be drawn from the results and recommendations will be suggested regarding the convergence versus divergence debate in the case study of Slovakia and the United Kingdom.

2 Technology changes the human resource role

Technology advancement, deregulation and privatization had a prominent role in the process of globalization. J. Bratton & J. Gold (2007, p. 73) found three major changes as a result of globalization. Firstly, the integration of markets has been changed partly as a result of the European Union (EU) enlargement. Secondly, the Eastern Europe and countries such as China and India are becoming more powerful and lastly, the foreign direct investment as a main indicator of internationalization has increased (Hollinshead, 2010).

2.1 From personnel management to HRM – is HRM more strategic?

Over the past decades, HRM has come through a major change from Personnel management (PM) to HRM. In 1990s the debate about the future of PM has resulted in the conclusion that PM should be replaced by HRM and could be more focused on strategy (Torrington, 1998, p. 25). Ulrich (1997a), one of the most influential authors in this field, identified four main HR roles: personal admin expert, employee champion, change agent and strategic partner (see Figure 1), (Wyatt, 2002).
Figure 1: Ulrich Model
Source: D. Ulrich (1997)

However, E. Parry & S. Tyson (2007, p. 244) criticize that no one knows what a more strategic role will involve. Although according to D. Ulrich (1997a), in order to be a business partner it is necessary to perform all four HR roles. E. Parry & S. Tyson (2007, p. 245) claim that there is no sufficient evidence of a positive relation between the technology implementation and the shift towards strategic business partner. G. Groe et al. (1996) noted that human resource management as a business partner may not be realized as a result of the fact that some organizations still use obsolete hardware and software.

Some authors suggested that the administrative tasks can be replaced by efficient information technology; in some cases fully automated. Furthermore, there are also significant changes in the HR policies thus the skills needed for the HR role have changed as well. The shift has been from the narrowly listed administrative tasks to the need to broaden knowledge, adopt more holistic approach and learn more technical skills (Flood, 1998, p. 69). Consistent with this suggestion, Ch. Wright (2008, p. 1069) discusses the need for solving more complex (strategic) problems with the emphasis on the need to develop more negotiating, networking and consultancy skills. Nowadays, the adoption of technology as a sustainable competitive advantage is not sufficient. What is more important is the ability to learn faster than the competitors (Sparrow, Marchington, 1998, p. 22).

2.2 Impacts of technology on human resource management

Table 1 below summarizes the positive and negative impacts on human resource management when technology is implemented. R. Broderick and J. W. Boudreau (1992, p. 13) state that e-HRM can thus free up some time to pursue other, more productive work. They also suggest there will be more time for innovation and quality issues.

Furthermore, e-HRM will have a significant impact on the HR applications in all organizations around the world. Small firms will have access to software that only mid-sized firms have nowadays and similarly, mid-sized firms will have access to integrated and sophisticated software that large-sized firms have. Consequently, the firms will standardize their HR systems and use the shared HR services which will provide them with a competitive advantage (Hendrickson, 2003, p. 389).
Table 1: The Impacts of the Adopted Technology on HRM

<table>
<thead>
<tr>
<th>Negative Impacts on HRM</th>
<th>Positive Impacts on HRM</th>
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<tr>
<td>Initial Costs</td>
<td>Long-term Savings</td>
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<tr>
<td>Reduction in the Headcount</td>
<td>Strategic Role – New Departments</td>
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<tr>
<td>Data Protection Compromised</td>
<td>Time Savings</td>
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<tr>
<td>Outsourcing</td>
<td>Boosted Quality</td>
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<td>Responsibilities Shifted to Line Managers/Employees</td>
<td>Standardization</td>
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<td>Blurring Work/Life Balance</td>
<td>Enhanced Performance</td>
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<td>Technological Incompetence</td>
<td>Second Life HRM</td>
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However, the technological incompetence and lack of knowledge regarding the existence of e-HRM and its adoption are issues which should be considered (Stromeier, 2007, p. 24). H. Ruel et al. (2004, p. 375) offer an explanation for the fact that the use of technology lags behind the potential efficiency: “What is clear is that there is a ‘gap’ between e-HRM in a technical sense (the available functionality) and the use and adoption of it by employees and line managers. The actual usage/adoption lags behind what is possible. An initial response to this observation could be that this is natural: real use always follows behind technical implementation.”

To sum up, even though it is well known that the HR role has been changing, more is written about the context than about the content of the HR role. As D. Ulrich (1997b, p. 176) points out, one of the ‘negative impacts’ on the HR role is that it is not clear who will be doing an HR role whether it will be a line manager or other employees. This will result in the increase of overall workload.

2.3 Universalist versus contextual paradigms

C. Brewster (1999a; 1999b) identified two main paradigms of the way human resource management is conducted and conceptualized: universalist and contextual. The universalist paradigm uses evidence to test generalizations (deductive methodology) and it is dominant in the USA. The purpose of Strategic Human Resource Management (SHRM) is to improve HR as well as the organizational performance. Proponents of the universalist’s paradigm argue that the ‘best practice’ approach does exist (Sparrow et al., 2004, p. 29).

On the other hand, the contextual paradigm is ideographic; looking for a general understanding and explanations. It mainly focuses on factors such as national culture, ownership structures, labor markets, role of the state and trade unions. The scope of HRM goes beyond the organization with the emphasis on ‘what is typical’ (Harris et al., 2004, p. 57; Sparrow et al., 2004, p. 30). The reason for mentioning the paradigms in this article is following. P. Sparrow et al. (2004, p. 37) and H. Harris et al. (2004, p. 58) point out that some discussions about HRM could be smoother if researchers understood and were clear about these two paradigms. Lack of awareness of those two paradigms will result in confusion and misunderstanding when drawing the conclusions.

2.4 Cultural versus institutional explanations

Some authors argue that culture is the explanation for differences between countries. The most famous and influential researchers in this field are A. Laurent, G. Hofstede and F. Trompenaars. A. Laurent’s (1983) research concluded that nationality has a significant effect on managers’ mindset. Furthermore, G. Hofstede’s (Hofstede, Hofstede, 2005) six dimensions stress
the major differences between countries in power distance, individualism, uncertainty avoidance, masculinity, short-term versus long-term orientation and indulgence versus restraint. Moreover, F. Trompenaar’s (1993) research reveals that the organizations from universalist cultures are more likely to apply standardized systems of evaluation. The implication of these studies is that differences between cultures have a considerable impact on HR practices such as recruitment methods, selection criteria, training and development, reward and performance appraisal (Sparrow, Hiltrop, 1997).

On the contrary, P. Sparrow et al. (2004, p. 32) claim that culture is not a sufficient explanation of dissimilarities between human resource practices in the countries; the institutional factors can serve as explanations of differences and include politics, economy, law and trade unions. In this paper, both cultural and institutional explanations will be provided when analyzing the case study.

3 Global convergence versus divergence debate

The convergence versus divergence debate has its origin in the neoclassical economic theory in which the freed international trade will allow rich and poor countries to converge. These pressures will also affect the HR practices towards homogeneity (Bratton, Gold, 2007, p. 104). The convergence versus divergence debate is widely discussed in many books. The next section will provide a short overview of the main ideas of this debate considering human resource processes and practices.

Global convergence thesis

Proponents of the global convergence thesis such as P. Sparrow et al. (2004, p. 33) state that ‘management is considered as a dependent variable that evolves in response to technological and economic change’. Their argument is that the advancement of technology means that in order to have a sustainable competitive advantage, all firms need to adopt the ‘best human resource practices’ with the assumption that the USA model of universalists is dominant. Moreover, from the institutional perspective, the EU pushes the legislation towards homogenization (Harris et al., 2004, p. 60).

Some authors share thought that one of the main influencing factors is the role of ownership patterns. According to H. Harris et al. (2004, p. 63) public ownership declined in many European countries. There is more evidence of internationalization; the number of multinational companies (MNCs) has increased as well as money invested in foreign direct investment (Pinnington, Edwards, 1999, p. 247). Their view is that this results in the convergence.

Global divergence thesis

Proponents of the divergence thesis argue that HRM is not prepared to fully implement technology or respond to the market. This could be explained by both institutionalists’ perspective and cultural differences. The former builds on the fact that organizations have limited choice posed by institutions, the latter on the cultural differences. The United Kingdom was identified as a country with a limited role in the industrial relations, whereas in Slovakia it seems that the state has more influence and uses more protective policies. Another view is that despite the pressures towards convergence, there are cultural and institutional differences which prevail and direct human resource towards divergence (Bratton, Gold, 2007, p. 104). Another criticism of convergence thesis is that MNCs still hold the majority of the assets and sell their products in the home country. The employees in the MNCs are predominantly from the home country as well as management (Pinnington, Edwards, 1999, p. 248). However, in case of
Slovakia, MNC’s usually expanded from other countries, and therefore profit made by those companies does not remain in Slovakia.

**Universalist HRM model**

The gaps in Rowley & Bae’s model (Figure 2) demonstrate a failure to match HR practices with embedded core values. Although there are ‘best practices’ they would not have a positive impact unless the organizations fully accept and identify with them *(Bratton & Gold, 2007, p. 106)*. One possible explanation could be that different ways of communication and culture would cause a shock if the universalists’ practices were applied.

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**Figure 2: Globalization and HRM Models**


4 Analysis and results of the case study: Will HRM practices in Slovakia converge towards the United Kingdom’s?

The key question arises as to whether technology brings into convergence the human resource practices in Slovakia towards the United Kingdom’s. This section will analyze in more detail the convergence versus divergence debate in case of Slovakia benchmarked against the United Kingdom. It will also scrutinize the dissimilarities in the HR practices in those two countries and provide key evidence.

S. Michailova et al. *(2009, p. 1)* argue that there are significant institutional and different policies used in human resource management in the Central Europe (Slovakia) compared to Western Europe (the UK). They also point out that human resource management in transition economies such as Slovakia is not well documented. T. Claydon et al. *(2004, p. 664)* claim that countries in the Central Europe have experienced a fundamental transition in 1990s along with macro changes resulted in the fact that the firms have unique conditions for human resource
management practices. In other words, the development of the human resource policies in Slovakia can differ from the UK’s development.

**Different legislation and development**

It has been argued that ‘although the software to help manage a global workforce is available, shipping data around the world remains a legal minefield’ (Evans, 2003, p. 32). In other words before the technology is applied we needs to cope with different legislation between the countries. P. Sparrow et al. (2004, p. 77) claim that the process of integration will be delayed due to institutional differences in the human resource structures.

Slovakia experienced four breakthroughs during its existence. Firstly, it transformed from centrally planned economy to market economy in 1989. Secondly, in 1993 the country became independent. Thirdly, Slovakia became a member of EU in 2004 and lastly, in 2009 accepted euro. The four main breakthroughs have a significant impact on the speed of how and which policies are adopted as well as on the development of human resource management. On the contrary, the United Kingdom has been part of the EU since 1973 and has much longer democratic history. Moreover, the United Kingdom has not accepted euro.

**Liberal market economy versus centrally planned economy**

Even though H. Harris et al. (2004, p. 63) suggested that public ownership declined in many European countries, there is still high degree of public ownership in Slovakia (Hollinshead, 2010, p. 152). The United Kingdom is an example of liberal market economy with high cultural diversity with the dominance of private enterprise model (Hollinshead, 2010, p. 162), whereas Slovakia was under the Soviet influence which was dominant after the war resulting in a centrally planned economy. The most distinctive were five-year plans and features such as ‘gigantomania’, monopolization and full employment. One would say that the transition of Central and Eastern Europe from planned to market economy has ended however this conclusion is overoptimistic (Hollinshead, 2010, p. 173).

As previously mentioned, the UK and Slovakia had a significantly different development including the four breakthroughs and the degree of public ownership.

**The changing human resource role and trends in the United Kingdom and Slovakia**

Human resource management arrived in the United Kingdom in the mid-1980 (Torrington, 1998, p. 26). Nowadays, HR function is a growing area of strategic significance. There has been a tendency towards outsourcing and online recruitment. The main selection methods are interview, assessment centers and psychometric and numeric tests. Graphology is used by a few firms in the UK (Armstrong, 2006, p. 429). Moreover, according to one survey, 47 per cent of the employers offer flexible working for all employees (Hollinshead, 2010, pp. 165 – 167).

Slovakia had different development, especially in terms of time when HRM was adopted. The personnel management has transformed into the human resource management after the transition to market economy. It is argued that the quality of human resource management has improved after entry into the EU in 2004. The duties of human resource department have changed to more strategic responsibilities. According to one survey, the most preferred flexible working agreements is part-time (65% of the organizations), however it doesn’t say the percentage of the employers offering flexible working for all employees (Kachanakova et al., 2009, pp. 162 – 172).

Considerable percentage of Slovak employers seeks the workforce inside the organization, in other words they recruit internally. They do not outsource; it is not that popular as in the United Kingdom (Kachanakova et al., 2009, p. 172). The core selection process in Slovak firms is one-to-one interview, either in a wider or reduced form. The aim is to gain as much
information as possible during this interview, even though it seems quite subjective decision based on one person’s evaluation.

The reason for human resource management in Slovakia being still in the process of development could be the Gulf Stream Effect. There is a possibility that as with other innovations, HR innovations firstly hit the USA, than the United Kingdom and finally Europe (Slovakia) as was the case of the service centers (DeFidelto, Slater, 2001, p. 281). This would suggest that Slovak HR policies converge towards the United Kingdom’s. However, there is still an issue with a language barrier; even nowadays firms invest huge money in teaching the employees to communicate in English (Kachanakova et al., 2009, p. 163). This has an impact on how the information is communicated and it definitely causes a delay in terms of when and how the policies are adopted. The reason is that if the language is different, the adoption of some practices is more complicated and the understanding of them can differ.

**Percentage of human resource representatives at board level**

According to Kachanakova et al. (2009, p. 168) one of the indicators of the concept and the level of the whole human resource management system is the percentage of HR representatives at the top management; this is also connected to the level of strategic role played in the organization. In Slovakia this indicator reached 54% and 46% in the UK (Bratton, Gold, 2007, p. 93). It is necessary to point out that the tendencies in those two countries are heading in an opposite direction. In Slovakia this percentage has an ascending tendency, whereas in the United Kingdom it has a descending tendency. This evidence would suggest the divergence in the human resource management. However, the relevance of the studies is questionable due to the fact that different methodologies were used. Another explanation for the surprisingly high percentage of HR representatives at the board level is that HR manager and line manager are two different roles in the United Kingdom, whereas in Slovakia a top manager also performs the role of HR manager especially in terms of medium or small businesses. The proportion of small and medium businesses in Slovakia and the United Kingdom differs significantly.

**Use of technology in human resource**

Recent research found that there is a difference between the use of technology within human resource management in Slovakia and the United Kingdom (see Figure 3).

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**Figure 3: Type of HR information system: A comparison between the UK and Slovakia**

According to E. Parry & S. Tyson (2007, p. 236) 82% of the United Kingdom organizations have some form of HR information system (HRIS), whereas Slovakia has lower level of usage of technology in human resource management (72%). Moreover, there is also a gap between primarily independent usage of human resource information system in the organizations in the two countries, 57 and 39 per cent, respectively.

Cultural differences – Hofstede’s theory applied on Slovakia and the United Kingdom

According to H. Harris (2004, p. 24) when taking into account uncertainty avoidance and power distance indexes, it exposes differences in the implicit model that individuals from different countries may have about organizational cultures, structures and functioning generally. Uncertainty avoidance index indicates the extent to which members of a society feel uncomfortable with uncertainty and ambiguity. Power distance index expresses the degree to which people tolerate that power is distributed unequally (Hofstede, Hofstede, 2005).

Figure 4 below shows the differences between the countries in uncertainty avoidance and power distance indexes in Slovakia and the United Kingdom. The indexes are significantly differ, 104 and 35; 51 and 35, respectively.

Figure 4: Five-dimension Model: Slovakia and the UK
Source: Hofstede, 2012

5 Conclusion

Given the data, there are several conclusions to be drawn from the research. Firstly, as E. Parry and S. Tyson (2007) and D. Ulrich (1997b) suggested there is no consensus on what exactly ‘business partner’ is and what strategic duties an HR manager should have. Unless the researchers are clear on what makes HR a business partner playing a more strategic role within a company there is no tangible evidence of convergence/divergence in the two countries. Therefore, research studying and defining more strategic role within human resource management in Slovakia and the United Kingdom would be of high value. There is a strong possibility that such research would be in favour of convergence rather than divergence. The reason is that there is a general perception that due to advancement in technology, deregulation and privatization; the role of human resource has changed and become less administrative. For example, a human resource manager nowadays needs a different set of skills compared to the
managers’ skills needed 20 years ago. Due to globalization, information is spread at high speed and can be shared. There is a tendency towards standardized human resource policies.

Secondly, Slovakia and the United Kingdom have different human resource practices. Slovakia does not use assessment centers and tests as frequently as the United Kingdom employers do. Moreover, there is still a considerable difference in using outsourcing in the UK and internal recruitment in Slovakia with the preference to use a subjective face-to-face interview. There is also a huge difference between the usage of technology in Slovakia and the United Kingdom. However, there is a certain progress in the development of Slovak human resource management (from personnel management to HRM). Some methods used in the United Kingdom are becoming more frequently used in Slovakia. For example, the international firms expanding to Slovakia use more modern assessments centers, which is very common in the United Kingdom.

On the other hand, communism had a significant impact on the HR development in Slovakia. The reason for the different HR practices in Slovakia and the United Kingdom could be that the UK is a typical example of market economy whereas there is a notable impact of communist regime in Slovakia. High degree of public ownership and five years plans caused that the HRM did not have the same function as the United Kingdom’s human resource management had. This has a direct impact on HRM in Slovakia. In spite of this fact the results show that the Slovak HR practices will converge towards the United Kingdom’s even though the HR development in Slovakia will be delayed – the Gulf Stream Effect.

The most crucial factors of convergence are the EU enlargement, the increase of number of MNCs companies and foreign direct investment. More advanced and highly efficient UK HR practices are perceived as a stimulus for the companies in Slovakia. As a result, some of the companies have implemented those HRM practices. This suggests a convergent tendency although such a tendency is difficult to measure.

Referring back to the hypothesis stating that the broad adoption of highly sophisticated technology in HRM will result in a convergence of Slovak HR policies towards the UK’s; the research based on the given data suggests that there is a convergent tendency rather than divergence. Therefore, a rigorous quantitative study of specific and thoroughly defined indicators is necessary when one wants to express the extent to which the HR practices in Slovakia converge towards the United Kingdom’s.

On the other hand, one should be careful when considering the adoption of standardized human resource policies and practices from the United Kingdom due to the cultural differences. The cultural differences are not marginal and they signal that the convergence will not progress smoothly. The implication is that when conducting a research one should take into account cultural differences. Lastly, P. Sparrow et al. (2004) stress the fact, that there is less evidence on convergent tendencies in general. In order to be able to research the convergence more precisely a series of longitudinal comparative studies need to be conducted. There might be convergence at one level but divergence at another, because HR function operates at various levels in the organization.

To make a conclusion, C. Brewster et al. (2003) grasped the essence of the problem when they stated that ‘whilst there are some signs of convergence between countries in Europe in the direction of trends, there remain very substantial differences, perhaps even continuing further divergence, in terms of final convergence’.

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