Behavior of e-HRM Adoption: Empirical Evidence form Organizations in Developing Context

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Abstract:
Based on Theory of planned behavior (TPB) and diffusion of innovation theory (DIT), present study developed and empirically tested the integrated model of organizational e-HRM adoption. The model consists of four contextual variables such as innovation, individual, organizational and environmental. Data were collected from 212 firms in Sri Lanka by means self-administered questionnaire. Structural model was tested using Partial Least Square. Results indicate that innovation characteristics (relative advantage and compatibility), environmental characteristics (competition), organizational characteristics (top management support) significantly explain the organizational e-HRM adoption intention. Further, financial resource and top management support significantly determine the extent of operational e-HRM adoption. Moreover, IT expertise is significantly explained the extent of relational and transformational e-HRM adoption.

Key words:
e-HRM adoption, operational e-HRM, relational e-HRM, transformational e-HRM.

1. Introduction:

The adoption of e-HRM among US and European organizations has been significantly increased over the last decade (Florkowski & Olivas-Luján, 2006) and growth will continue in future (Bondarouk & Ruël, 2009). This is because adoption of e-HRM allows organizations to enhance efficiency and effectiveness of HR service delivery (Ruël, Bondarouk, & Looise, 2004) improves strategic orientation of HRM functions (Marler, 2009) and gain competitive advantage (Ruël & van der Kaap, 2012). However, e-HRM adoption in developing countries indicate relatively slow rate. This slow adoption rate is a critical issue as organizations in developing countries are now engaging more in international business where adoption of e-HRM is required to compete in international context (Ruël et al., 2004).

A review of e-HRM literature indicates that majority of research is considered to explore determinants and consequences of e-HRM adoption among organizations in developed country. However, findings of these studies are unlikely to generalize to firms in developing countries due to differences between these two contexts. It is apparent that firms in developing countries confront with unique challenges with e-HRM adoption. First, firms in developed countries equipped with well-developed, accessible and affordable infrastructure, whereas in most of the developing countries' IT related adoption (e-HRM) has been constrained by the quality, availability, and cost of accessing such infrastructure(Humphrey, Mansell, Paré, & Schmitz, 2003). Second, low level of information and communication technological awareness of individuals impedes the IT related adoption (e-HRM) among firms in developing countries (Molla & Licker, 2005). Third, many of the developing countries have a low level of trust on IT related adoptions (Oxley & Yeung, 2001). Fourth, since most of the firms in developing countries are small, IT related adoption (e-HRM) has been constrained by the lack of adequate resource (Goode & Stevens, 2000). Thus, it is an important to explore determinants of e-HRM adoption in developing context.

Sri Lanka is a developing country located in South Asia. Its development for over 30 years was hindered by the ethnic war. After demolishing of the war in 2005, Sri Lanka has shown rapid developments in terms of economic and IT over the other countries in the region. According to recent statistics Sri Lanka record US$ 71 billion GDP (IMF, 2014), $3385 per capita income (IMF, 2014), and high HDI index value of 0.75 (Human Development Report, 2014). Sri Lanka is only second to Maldives in the south Asia in terms the per capita income (IMF, 2014) and Sri Lanka recorded 8.3% GDP growth rate in 2011 (Central Bank of Sri Lanka Annual Report, 2011). Sri Lanka is also progressing rapidly forward in terms of technology embracement. During 2005 to 2010, cellular subscribers' base in Sri Lanka has shown a 550% growth (Annual Report of Ministry of Finance, 2010). Moreover, Sri Lanka is the first country in south Asia region who introduced 3G, 3.5G HSDPA, 3.75G HSUPA and 4G LTE mobile broadband internet technologies (SAARC, 2011). Sri Lanka has become the sub region leader in E-government development index (0.54 score and ranked in 74th) and e-participation index (0.65 score and ranked in 33rd) (UN Report, 2014). Further, according to Network Readiness Index (NRI) that measure the propensity for countries to exploit the opportunities offered by information communication technology, Sri Lanka report 3.94 score and rank in 76th (world Economic Forum, 2014).

Sri Lanka is also differentiated with developed countries in terms of their culture in general and business culture in particular. With respects to Hofstede cultural dimensions, Sri Lanka is recorded high score (80) in power distance (Hofstede Centre). High power distance culture is attributed by centralized decision structures, existence of hierarchical levels, use of formal rules

and regulation where discourage the innovation (e-HRM) adoption (Zmud, 1982). With respects to individualism dimension Sri Lanka is indicated score of 35 (Hofstede Centre) which claimed as collectivist culture. Organizations in individualistic culture are attributed by lower level of social interactions among employees while high degree of interactions exists in a collectivist cultures (Erumban & de Jong, 2006). Implementing e-HRM in organizations leads to change the social interactions patterns among employees as it change from face to face interaction to electronic communication (Stone, Stone-Romero, & Lukaszewski, 2006). It has been evidenced that management theories, concepts and practices developed in one culture might not be applicable to other cultures (Hofstede, 1991). Given that majority of e-HRM adoption studies are conducted with organizations in developed countries, researcher motivate to explore this phenomenon in developing country. Considering economic, social, technological and cultural dimensions explained above, it is important to explore the determinants of e-HRM adoption in Sri Lankan context.

The remainder of the paper is organized as follows. First, key concepts of e-HRM and e-HRM adoption are discussed. Second, two theories applied in the study (Theory of Planned Behavior and Diffusion of Innovation Theory) are discussed. Third, theoretical model is depicted along with hypothesis. Fourth, research design is discussed. Fifth section indicates the results. Final section devotes to discussion of findings, implication, limitation and conclusions.

2. Literature Review
2.1. Defining e-HRM
Definition of e-HRM has evolved over decades. Strohmeier (2007) Provide clear conceptualization of the terminology and it has been widely used in the e-HRM studies. Accordingly, e-HRM is defined as "Planning, implementation and application of information technology for both networking and supporting at least two individual or collective actors in their shared performing of HR activities" (Strohmeier, 2007, p. 20). This study uses this definition as it covers the essential components of the e-HRM.

2.2. Types of e-HRM
Extant literature categorize e-HRM system based on three major approaches: (1) based on information system (IS) functions, (2) based on corporate significance and (3). based on e-HRM objectives. According to first classification e-HRM systems are twofold: Auotmational e-HRM and informational e-HRM (Ball, 2001). Second classification also identifies two types of e-HRM system: Operative e-HRM and strategic e-HRM (Strohmeier & Kabst, 2012). Third classification that is highly accepted in literature, lists out three e-HRM types: Operational e-HRM, relational e-HRM and transformational e-HRM. Operational e-HRM is defined as the automation of administrative HR tasks with the objective of reducing costs, speeding up process and improving productivity. Operational e-HRM includes e-personal record keeping and administration, e-payroll, e-time attendance and management and e-access control (Ruël et al., 2004). Relational e-HRM involves with IT applications that connecting HR personal, line managers and employees with the objective of increasing collaboration and service quality (Parry & Tyson, 2011). Relational e-HRM comprise with e-manager support system and e-employee support system.

Transformational e-HRM comprise IT applications that enable to improve the business support and strategic orientation of HRM functions (Parry & Tyson, 2011). This consists of e-recruitment, e-performance management, e-training and e-compensation. For the present study, I use third

classification of e-HRM (operational, relational and transformational) due to its holistic perspective.

3. Theory
3.1. Theory of Planned Behavior (TPB)

TPB that is an extension TRA is one of the most fundamental and powerful theory developed in social psychology to predict and explain a particular behavior in specified context. TPB propose that *attitudes toward behavior*, *subjective norms* with respect to the behavior *and perceived behavioral control* over the behavior predict the *behavioral intention (for this study: intention to e-HRM adoption)* of individuals (Ajzen, 1991). Moreover, TPB suggest that behavioral intention in combination with perceived behavioral control explain the *actual behavior (for this study: extent of e-HRM adoption)* of individuals (Ajzen, 1991).

3.2. Diffusion of Innovation Theory (DIT)

DIT suggests that diffusion of innovation is the process by which an innovation is communicated through certain channels over time among the members of a social system. According to DIT, innovation diffusion is influenced by four factors: innovation attributes communication channels, time, and social system (Rogers, 2003). Ruël et al., (2004) argue that e-HRM can be treated as an innovation in terms of HRM due to two main reasons. First, e-HRM creates opportunity to position employee-management relations in the hands of employees and line managers and second, e-HRM offer opportunities to design HRM tools and instruments that would not be possible without IT. Thus, present study uses both TPB and DIT to develop the research model that is illustrated in Figure 1.
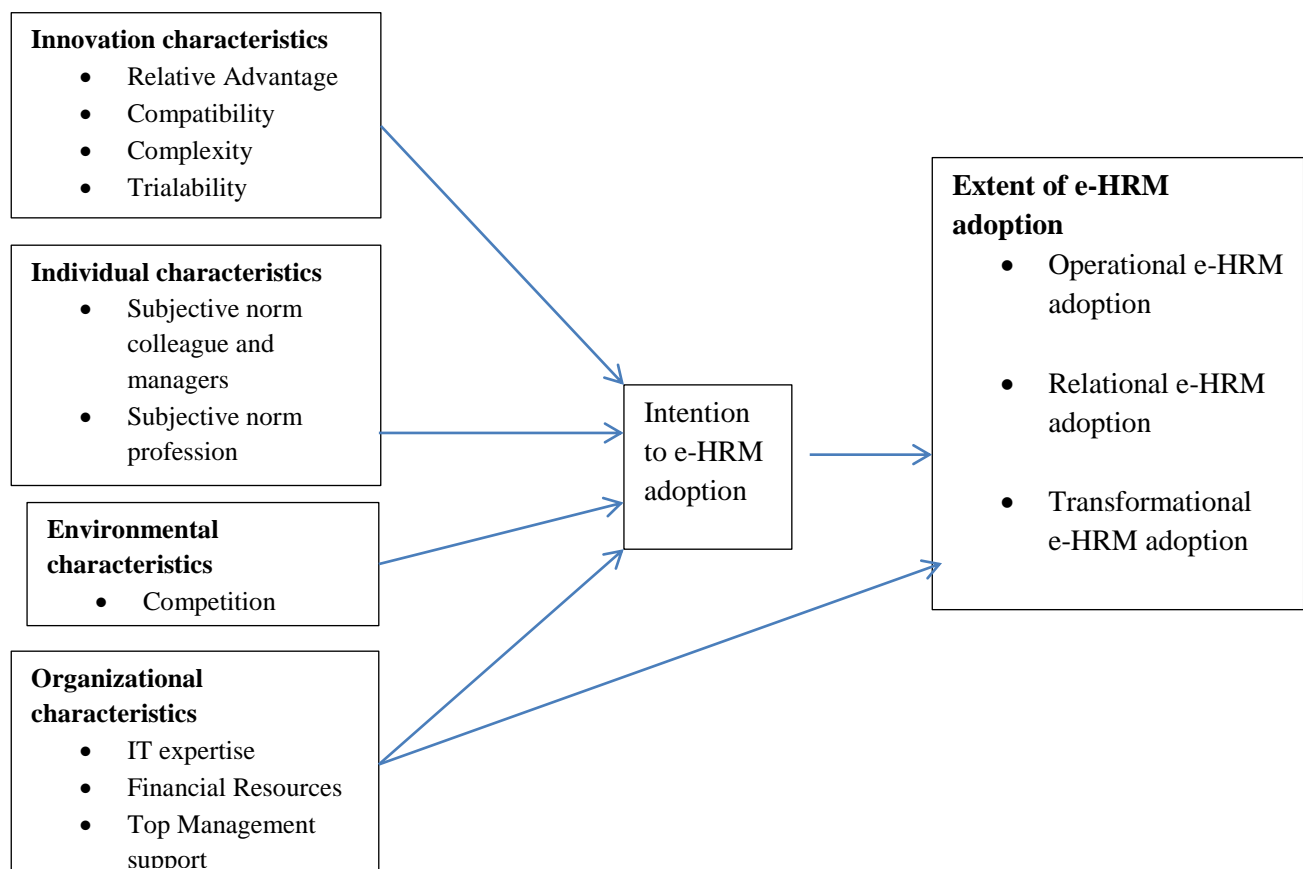
Figure 1: Research Model

Table 1: Hypothesis

Code	Description
H1	Relative advantage is positively related to organizational intention to e-HRM adoption
H2	Compatibility is positively related to organizational intention to e-HRM adoption
H3	Complexity is negatively related to organizational intention to e-HRM adoption
H4	Trialability is positively related to organizational intention to e-HRM adoption
H5	Subjective norm of colleagues is positively related to organizational intention to e-HRM adoption
H6	Subjective norm of professions is positively related to organizational intention to e-HRM adoption
H7	Availability of financial resource is positively related to organizational intention to e-HRM adoption
H8a	Availability of financial resource is positively related to extent of operational e-HRM adoption
H8b	Availability of financial resource is positively related to extent of relational e-HRM adoption
H8c	Availability of financial resource is positively related to extent of transformational e-HRM adoption
H9	Top management support is positively related to organizational intention to e-HRM adoption
H10a	Top management support is positively related to extent of operational e-HRM adoption
H10b	Top management support is positively related to extent of relational e-HRM adoption
H10c	Top management support is positively related to extent of transformational e-HRM adoption
H11	Employees' IT expertise is positively related to organizational intention to e-HRM adoption
H12a	Employees' IT expertise is positively related to extent of operational e-HRM adoption
H12b	Employees' IT expertise is positively related to extent of relational e-HRM adoption
H12c	Employees' IT expertise is positively related to extent of transformational e-HRM adoption
H13	Competition is positively related to organizational intention to e-HRM adoption
H14	Behavioral intention is positively related to extent of operational e-HRM adoption
H15	Behavioral intention is positively related to extent of relational e-HRM adoption
H16	Behavioral intention is positively related to extent of transformational e-HRM adoption

4. Research Methodology
4.1. Measurement of Variables
All of the theoretical constructs were operationalized using previously developed and empirically tested scales excluding financial resources. I first review the innovation adoption and IT adoption/acceptance literature to identify the most applicable measuring instruments that can be applicable to e-HRM context. Second, In order to meet content validity interviews were conducted with the firms who adopted e-HRM to identify the relevance of the selected measures. Final survey questionnaire consists of the items identified through literature review and adjusted e-HRM context by interview. Relative advantage scale was adapted from Moore and Benbasat (1991) & Premkumar and Roberts (1999). Compatibility scale was drawn from (Teo, Lim, & Fedric, 2007). The scale for complexity and trialability was adapted from (Moore & Benbasat, 1991) Subjective Norm measures drawn from (Eikebrokk, Iden, Olsen, & Opdahl, 2011) while competition scale adapted from (Teo et al., 2007). Top management support, scale was adopted from (Premkumar & Roberts, 1999). The scale for IT expertise was drawn from (Thong & Yap,

1995). Intention to adoption was measured using the scale adapted from (Plouffe, Vandenbosch, & Hulland, 2001). All these variables were measure using five point Likert scales, with the anchors being strongly disagree (1) and strongly agree (5). E-HRM adoption was measured by the items developed by (Strohmeier & Kabst, 2014). In order to minimize threat of common method bias, as a procedural control suggested by (MacKenzie & Podsakoff, 2012), this study used methodological separation of independent variable form dependent variable. Adoption was measured using the 5 point scale which range from not adopted (1) to completely adopted (5). Organization size was measured by the number of employees and involvement of international operation was measured by dichotomous variable.

4.2. Data collection

After operationalization of variables, data collection was conducted in two phases: Pre-study and questionnaire survey. Since pre-study does not require statistical sample (Zikmund, Babin, Carr, & Griffin, 2012), it was conducted by means of interviewing conveniently selected sample of twelve HR managers. Twelve HR managers were selected so as to cover various industries such as banking, insurance, construction, apparel, education, hotel, health. HR managers were selected as the key informant as they make considerable contribution in e-HRM adoption decision (Parry & Wilson, 2009). The purpose of the pre-study was to assess whether respondents have any difficulty in understanding the questionnaire and whether there any ambiguous and biased questions (Zikmund et al., 2012). Twelve HR managers first filled the questionnaire subsequently interview was conducted with them at respective respondents` offices. Average time spent for each interview was around an hour. Based on the interview feedback slight modifications were made to the questionnaire. Pre study allows us to confirm the validity of our assumption in choosing HR managers as the key informant for the questionnaire survey. Respondents explicitly state that they exert active commitment in e-HRM adoption decision.

Before move in to questionnaire survey, population and sampling frame were explicitly identified. The purpose of this study is to develop an integrated model of e-HRM adoption behavior of the organizations in developing country. This study select Sri Lanka as the research context and rationale for selecting is discussed in the introduction section. All private sector organizations operating in Sri Lanka is considered as the population. Since the private sector accounts for 85% of the economy in Sri Lanka (ADB, 2008) the present study focuses on that sector. Present study excludes public sector organizations since government involvement is intense in e-HRM adoption decision. Consequently, researcher first, select company data base maintain by Department of Registrar of Companies (DRC) in Sri Lanka and I found that it is not updated as they do not maintain separate data base for identifying the firm that move out and discontinue the business. Thus, I used National Business Directory (NBD) as a sampling frame that includes currently operating business firms which is updated for 2013/2014. This includes names, addresses and contact numbers of the firms. With the help of the sampling frame, in the second stage of the data collection phase data were collected from different sources: mail (56), e-mail (88), conferences (64), door to door visit of firms (28). Altogether, this study ended up with 236 responses. After accounting for incomplete questionnaire 212 questionnaires were qualified and proceed for further analysis. Non response bias was assessed by comparing early and late respondents in terms of the all variables and findings of the t-test indicate that there is no significant difference between early and late respondents.

5. Data Analysis
5.1. Validity and Reliability
Validity and reliability of the measuring instruments were assessed before testing hypothesis. Validity of the measures refers to the extent to which the measuring items truthfully represent the concepts that is intended to measure (Zikmund et al., 2012). Convergent and discriminant validity was measured using exploratory factor analysis with Principal Axis Factoring extraction and Direct Oblimin rotation (KMO). All the factor loadings meet the threshold value of 0.50 (Joseph F Hair, Tatham, Anderson, & Black, 2006). Though this study operationalizes subjective norm colleagues and managers as a two separate constructs, theses load as one factor. Observability did not load highly with any factor and thus exclude from further analysis. Discriminant validly was measured through observation of cross loadings and this study did not observe major cross loadings. Reliability that measures the internal consistency of the constructs was assessed using Cronbach Alpha and all the constructs meet the generally accepted rule of 0.70 and above (Joseph F Hair et al., 2006).

Additionally, since the survey questionnaire was filled by key informant of the organization, there is a potential to have a common method variance (Malhotra & Birks, 2007). In addition to procedural control (MacKenzie & Podsakoff, 2012) applied in research design stage, study also used statistical control to observe the common method variance issue. I first used, Harmans`s Single factor test. This suggest that if a substantial amount of common method variance exist, a single factor will emerge from factor analysis that perform including all measured variable together or a general factor that account for most of the variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). This study run the factor analysis and establishes unique factor solution which indicates fifteen factors. Thus, it suggests that common method variance is not serious issue. Since several authors (Podsakoff et al., 2003) criticize this test, present study also used Unmeasured Latent Marker Construct (UMLC) using Smart PLS 3.0. Existence of common method bias is determined by examining the statistical significance of factor loadings of method factor and comparing the variance of each observed indicator explained by its substantive construct and the method factor (Williams, Edwards, & Vandenberg, 2003). Results show that most method factor loadings are not significant and all indicators substantive variances are greater than method factor variance. Further, UMLC test reveal that the average substantively explained variance of the indicators is .75, while the average method based variance is .01. This allows us to conclude that the common method variance is not a serious concern in this study.

6. Results
This study used partial least square (PLS) to test the model as PLS is robust to relatively small sample size, non-normal distribution of the data and complex model testing (Chin, Marcolin, & Newsted, 2003; Henseler, Ringle, & Sinkovics, 2009). Using Smart PLS 3.0 present study, examine first measurement model second structural model.

6.1. Measurement Model
Since all the variables in the model are measured using reflective measures, reliability and validity of the constructs were evaluated based on composite reliability, indicator reliability, and Average variance Extracted (AVE), and discriminant validity (Henseler et al., 2009). Composite reliability which is measure of internal consistency must be greater than 0.6 (Henseler et al., 2009). As shown in Table 2, all the reflective constructs meet the threshold value for composite reliability.

Indicator reliability that measure reliability of each indicator suggest that that absolute correlations between a construct and each of its manifest variables should be greater than 0.7 (Joe F Hair, Sarstedt, Ringle, & Mena, 2012). AVE which is measure of convergent validity claims that AVE values of construct should greater than 0.5 (Henseler et al., 2009). As illustrated in Table 2, all construct meet the rule of thumb. Discriminant validity was assessed using Fornell-Larcker criterion that suggests the AVE of each latent variable should be higher than the squared correlations with all other latent variables (Henseler et al., 2009). Inspection of Table 2, confirm the discriminant validity of the constructs.

Table 2: Composite Reliability (CR), Correlations, and AVEs

Constructs	CR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Compatibility	0.95	**0.93**													
2. Competition	0.94	0.64	**0.91**												
3. Complexity	0.93	-0.58	-0.69	**0.88**											
4. Financial Resources	0.96	0.60	0.67	-0.71	**0.94**										
5. Intention	0.93	0.67	0.66	-0.63	0.61	**0.90**									
6. IT Expertise	0.92	0.40	0.44	-0.40	0.30	0.31	**0.92**								
7. Operational e-HRM	0.95	0.67	0.65	-0.66	0.74	0.66	0.31	**0.92**							
8. Relative Advantage	0.94	0.59	0.59	-0.61	0.68	0.63	0.37	0.64	**0.83**						
9. Relational e-HRM	0.97	0.45	0.46	-0.47	0.44	0.49	0.35	0.55	0.39	**0.97**					
10. SN Colleague	0.95	0.57	0.65	-0.62	0.68	0.61	0.34	0.65	0.63	0.41	**0.89**				
11. SN Profession	0.88	0.44	0.53	-0.42	0.55	0.48	0.21	0.47	0.47	0.28	0.66	**0.84**			
12. Top Mgt support	0.97	0.72	0.71	-0.66	0.66	0.73	0.37	0.73	0.67	0.48	0.69	0.53	**0.94**		
13.Transformational e-HRM	0.89	0.52	0.52	-0.57	0.55	0.57	0.43	0.62	0.53	0.61	0.52	0.38	0.58	**0.82**	
14. Trailability	0.96	0.56	0.73	-0.69	0.66	0.56	0.47	0.60	0.60	0.49	0.58	0.50	0.66	0.60	**0.90**

Notes: Diagonal elements are AVEs and off diagonal elements are correlations

6.2. Structural Model

The coefficient of determination (r2) and estimates of path coefficients were used to evaluate the structural model (Joe F Hair, Ringle, & Sarstedt, 2011). Determinants of e-HRM adoption (innovation, individual, environments and contextual) explain 63% of variance of intention of e-HRM adoption. Further, intention to e-HRM adoption is explained 65% of operational e-HRM adoption variance, 30% of relational e-HRM adoption and 49% of transformational e-HERM adoption. Results of the path coefficients are shown in Table 3.

Table 3: Structural Model Results

	Path	Original Sample (O)	Standard Error (STERR)	T Statistics	P Values
	Technological context				
H1	Relative Advantage -> Intention	0.15	0.08	1.81	0.07*
H2	Compatibility -> Intention	0.20	0.10	2.12	0.03**
H3	Complexity-> Intention	-0.16	0.07	2.12	0.03**
H4	Trialability -> Intention	0.06	0.07	0.90	0.37
	Individual context				
H5	Subjective Norm Colleague -> Intention	0.02	0.07	0.33	0.75
H6	Subjective Norm Profession> Intention	0.05	0.06	0.88	0.38
	Environmental context				
H13	Competition -> Intention	0.15	0.08	1.76	0.08*
	Organizational context				
H7	Financial Resources -> Intention	0.01	0.09	0.13	0.90
H11	IT Expertise -> Intention	0.05	0.06	0.75	0.45
H9	Top Mgt Support -> Intention	0.30	0.10	2.94	0.00***
	Intention and extent of e-HRM adoption				
H14	Intention -> OP e-HRM Adoption	0.12	0.07	1.84	0.07*
H15	Intention-> RE e-HRM Adoption	0.22	0.08	2.66	0.01***
H16	Intention-> TR e-HRM Adoption	0.19	0.07	2.80	0.01***
	Organizational Resource & extent of e-HRM adoption				
H8a	Financial Resources ->OP e-HRM Adoption	0.42	0.08	5.04	0.00***
H8B	Financial Resources -> RE e-HRM Adoption	0.13	0.08	1.70	0.09*
H8C	Financial Resources ->TR e-HRM Adoption	0.19	0.06	2.93	0.00***
H12a	IT Expertise -> OP e-HRM Adoption	0.01	0.04	0.24	0.81
H12b	IT -Expertise> RE e-HRM Adoption	0.16	0.05	3.02	0.00***
H12c	IT Expertise-> TR e-HRM Adoption	0.19	0.05	3.77	0.00***
H10a	Top Mgt Support -> OP e-HRM Adoption	0.33	0.07	4.47	0.00***
H10b	Top Mgt Support -> RE e-HRM Adoption	0.09	0.09	1.04	0.30
H10c	Top Mgt Support -> TR e-HRM Adoption	0.12	0.08	1.46	0.14
	Control Variables and extent of e-HRM adoption				
	Org: Size -> OP e-HRM Adoption	0.06	0.03	1.88	0.06*
	Org: Size -> RE e-HRM Adoption	0.13	0.05	2.43	0.02***
	Org: Size -> TR e-HRM Adoption	0.16	0.06	2.53	0.01***
	Industry -> OP e-HRM Adoption	-0.04	0.05	0.84	0.40
	Industry -> RE e-HRM Adoption	0.02	0.07	0.31	0.76
	Industry -> TR e-HRM Adoption	0.01	0.06	0.19	0.85
	International Operations -> OP e-HRM Adoption	-0.05	0.05	1.03	0.31
	International Operations -> RE e-HRM	-0.05	0.07	0.78	0.43
	Org: Size -> OP e-HRM Adoption	0.06	0.03	1.88	0.06*

Notes: *p < 0.05, **p < 0.01, ***p < 0.001

6.3. Discussion

Our results support the basic assumption that organizational intention and extent of e-HRM adoption is explained by various variables identified in different contexts: innovation, individual, organizational and environmental. With respect to innovation characteristics, study received

positive empirical support for the relative advantage and compatibility and negative support for the complexity. These results confirm the findings of the most of IT and innovation adoption studies. However, present study did not find empirical support for the complexity and trailability. This study also performed additional analysis to investigate the relationship between innovation characteristics and extent of e-HRM adoption. Study found trialability is significantly and positively related to extent of e-HRM adoption.

With respect to individual contextual variables, this study did not find empirical support of the any of the individual contextual variables (subjective norm of colleague, management and profession) and intention of e-HRM adoption. Further analysis that considered the relationship between individual factors and extent of e-HRM adoption also did not provide significant results. Previous studies on IT and innovations studies also found mixed results with respects to individual factors. Under the environmental context, this study included competition and observed significant positive results between competition and intention to e-HRM adoption. Concerning organizational contextual variables, study found empirical support for the relationship between top management support and intention of e-HRM adoption.

This study also investigates the relationship between intention and extent of e-HRM adoption. We first investigate the relationships between organizational variables (financial resources, IT expertise and top management support) and extent of e-HRM adoption (operational, relational and transformational). This study found significant positive relationship for the financial resources for the extent of all three types of e-HRM adoption. This provides insight that cost of the e-HRM applications is a significant factor in making actual e-HRM adoption decision. Study did not find significant result for the IT expertise and extent of operational e-HRM adoption. Possible reason for this would be that operational e-HRM applications like e-time attendance and e-personal record keeping and administration requires basic IT knowledge and expertise to operate compared to advanced relational and transformational e-HRM applications. Present study also found support for the IT expertise and extent of relational and transformational e-HRM adoption. This confirm the idea that both relational and transformation e-HRM applications consist of advanced IT related competent where employees and managers are required advanced level of IT expertise to work with them. With respect to top management support study found significant results only for the extent of operational e-HRM adoption. As TPB suggest that intention leads to target behavior, for the present study we found empirical support for the relationships between intention to adoption and any e-HRM adoption (operational, relational and transformational).

Present study also includes three control variables (organization size, industry, involvement in international operations) that may influence on organizational e-HRM adoption. Consistent with most of the IT and innovation studies, for the present study organizational size is significantly and positively related to operational, relational and transformational e-HRM adoption. The obvious explanation for this is that small organizations need not to use such complicated e-HRM applications or lack of required resources to adopt e-HRM. This study also found empirical support for the relationship between involvement in international operations and extent of transformational e-HRM adoption. However, the study did not find significant result for the industry and extent of any types of e-HRM adoption.

6.4. Implications and Limitation

Findings provide both managerial and theoretical implications. Findings provide insights for managers in making decision on e-HRM adoptions. Innovation characteristics (relative advantage and compatibility), competition and top management are the key consideration in establishing the intention. Further, organizational resources like IT expertise, top management support and financial resources play a key role in e-HRM adoption. In addition, the findings provide important insights for vendors of e-HRM applications. The findings suggest venders should take into account relative advantage and compatibility of the e-HRM applications in making their product design and promotion strategies. Further, findings suggest that giving some trial period to experiment e-HRM application enhance the extent of e-HRM adoption of the potential adopters.

In terms of theoretical contribution, to best of our knowledge, this is the first study explored the influence of four context (innovation, individual, organizational and environments) as integrated model on e-HRM adoption behavior. This, also contribute to the literature on e-HRM adoption in the context of developing countries. Moreover, researcher believes that this is the first study that considers all three types of e-HRM application (operational, relational and transformational). Finally, this study measured e-HRM adoption as a continuous variable where previous empirical studies measure adoption using binary variable.

The first limitation of the present study refers to the generalizability of the findings. Since the study conducted research in one country (Sri Lanka) the findings of the studies may not apply to other developing countries. Thus, further research on this phenomenon in other developing countries in particular to Asia is warranted. Second, this study considers only few variables under each four context. Researcher encourages future researches that include additional drivers of e-HRM adoption in particular to developing countries. Third, present study explores only antecedents of e-HRM adoption where many researches are required to explore the different outcomes of e-HRM adoption such as operational, relational and transformational outcomes.

7. Conclusion

The current study focused the underexplored phenomenon of e-HRM adoption behavior of the organizations in developing country. This study developed an integrated research model that explains determinants of organizational e-HRM adoption using two well established theories that is TPB and DIT: This study used Sri Lanka as research context for data collection using survey and empirically test the hypothesis using SEM. Empirical results support the applicability of the theory to explain the e-HRM adoption behavior. This paper also discussed the theoretical and managerial implications of the present study. The paper finally acknowledged limitations of the study while providing directions for further research.

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