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Theory building has lagged on the intermediate linkages responsible for the relationship between HRM and firm performance. We introduce the construct “strength of the HRM system” and describe the metafeatures of an HRM system that result in a strong organizational climate, analogous to Mischel’s “strong situation,” in which individuals share a common interpretation of what behaviors are expected and rewarded. The strength of the HRM system can help explain how individual employee attributes accumulate to affect organizational effectiveness.

In recent years scholars have devoted a great deal of attention to examining the linkage between HR practices and firm performance. Based on research evidence to date, it is becoming increasingly clear that the HR system is one important component that can help an organization become more effective and achieve a competitive advantage (Becker & Huselid, 1998). However, a larger question remains unanswered: How does HRM contribute to firm performance?

More specifically, if there is indeed an impact of HRM systems on firm performance, how do these effects occur? What are the mechanisms through which these effects manifest themselves? These questions call for theory refinement and the development of more comprehensive models of the HRM-firm performance relationship that include intermediate linkages and boundary conditions. This type of research should be given a high priority by HRM scholars (Ferris, Hochwarter, Buckley, Harrell-Cook, & Frink, 1999: 394).

In research on the HRM–firm performance relationship, scholars have often assumed two perspectives. One has been based on a systems approach. Research in this area has moved from a focus on separate HRM practices and employee performance to a more macro focus on the overall set of HRM practices and firm performance (e.g., Arthur, 1992; Huselid, 1995; Huselid & Becker, 1996; Huselid, Jackson, & Schuler, 1997). That is, the dominant trend in research on the HRM–firm performance linkage has been to take a systems view of HRM by considering the overall configuration or aggregation of HRM practices (Ferris, Arthur, Berkson, Kaplan, Harrell-Cook, & Frink, 1998), rather than by examining the effects of individual HRM practices on firm performance (e.g., Delaney & Huselid, 1996; Delery & Doty, 1996) or on individual performance.

A second approach has been the strategic perspective on HRM, which has taken on different meanings in the literature (Ferris et al., 1999). In one strategic-based approach, researchers have examined the particular “fit” between various HRM practices and the organization’s competitive strategy (e.g., Miles & Snow, 1994; Wright & Snell, 1991). Embedded in this view is the notion that organizations must also horizontally align their various HRM practices toward their strategic goal and that practices must complement one another to achieve the firm’s business strategy (Schuler & Jackson, 1987a,b; Wright & Snell, 1991; Wright, McMahan, & McWilliams, 1994). The guiding logic is that a firm’s HRM practices must develop employees’ skills, knowledge, and motivation such that employees behave in ways that are instrumental to the implementation of a
particular strategy. Similarly, researchers have taken a contingency perspective, with the assumption that the effectiveness of the HR system depends on contextual features such as industry, firm size, or manufacturing policies (e.g., MacDuffie, 1995; Younht, Snell, Dean, & Lepak, 1996).

A related approach within the strategic perspective on HRM pertains to how the overall set of HRM practices is generally associated with firm performance and competitive advantage (Ferris et al., 1999). Central here is the resource-based perspective (Barney, 1991) such that, collectively, a firm’s human resources are believed to have implications for firm performance and provide a unique source of competitive advantage that is difficult to replicate (Wright et al., 1994). The guiding proposition is that HRM practices are socially complex and intricately linked in ways that make them difficult for competitors to copy (Boxall, 1996). More fully, the complexities of the human resource value creation process make HRM a source of competitive advantage that is rare, inimitable, and nonsubstitutable (Barney, 1991; Ferris et al., 1999). The resource-based view has prompted recent work on how HRM practices contribute to firm performance by leveraging human capital, discretionary effort, and desired attitudes and behaviors (e.g., Becker & Gerhart, 1996; Lado & Wilson, 1994; Wright et al., 1994).

Taken together, these two perspectives on the HRM–firm performance relationship—the systems and strategic perspectives—help stage how HRM practices and their influence on employee attributes can lead to desired outcomes at the firm level, such as productivity, financial performance, and competitive advantage. Yet still left unanswered is the process through which this occurs. Although both perspectives take a macro approach, they assume implicit, multilevel relationships among HRM practices, individual employee attributes, and organizational performance (Huselid, 1995; Wright et al., 1994). The features of HRM that are necessary to facilitate these linkages have not been well addressed.

In what follows we develop a framework for understanding how HRM practices, as a system, can contribute to firm performance by motivating employees to adopt desired attitudes and behaviors that, in the collective, help achieve the organization’s strategic goals. We first focus on climate as an important mediating variable in the HRM–firm performance relationship. The HRM system itself is discussed not so much in terms of content (e.g., the specific set of HRM practices necessary for achieving an organizational goal) but rather process (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). We describe how a “strong climate” (Schneider, Salvaggio, & Subirats, 2002) can be viewed as a “strong situation” (Mischel, 1973, 1977), in which employees share a common interpretation of what is important and what behaviors are expected and rewarded. We then introduce the concept of “strength of the HRM system” and specify the metafeatures of the overall HRM system that would lead to strong climates, after which we examine the consequences of strong versus weak HRM systems, arguing that the emergence of the intended organizational climate from psychological climates is moderated by the strength of the HRM system. We close with directions for future research on this new strength of the HRM system construct and its antecedents and consequences. Our discussion is framed within the mesoparadigm that concerns the simultaneous study of organizational, group, and individual processes and specifies how levels are interrelated in the form of linking mechanisms (House, Rousseau, & Thomas-Hunt, 1995).

CLIMATE AS A MEDIATOR OF THE HRM–FIRM PERFORMANCE RELATIONSHIP

We begin our framework with the notion that different business strategies are linked to different sets of HRM practices, based on the contingency perspective of strategic human resource management (e.g., Schuler & Jackson, 1987b, 1995). For example, a strategy of innovation should foster adoption of HRM practices that share a focus on innovation; a strategy of customer service should be linked to a set of practices that center around service. We then build on the view that HRM systems influence employee attitudes and behavior, as well as organizational outcomes, through employee interpretations of the work climate (Ferris et al., 1998; Kopelman, Brief, & Guzzo, 1990).

Before developing climate as a mediator, it is important to note that other perspectives delin-
eate different variables that can operate as a mediator in the HRM–firm performance relationship. For example, the technical subsystem perspective focuses on task requirements and task accomplishment (Katz & Kahn, 1978) and has historically dominated HRM research (Schuler & Jackson, 1995). The underlying assumption is that HRM practices lead to employee knowledge, skills, and abilities (KSAs) that, in turn, influence firm performance at the collective level (Schuler & Jackson, 1995).

Additionally, there are perspectives that focus on “higher-order” socially interactive constructs—what Ferris and his colleagues (1998) term social context theory views of the relationship between HRM and performance. By higher order, we mean social structures that cannot be reduced to an aggregation of the perceptions of the individuals currently composing the organization.

Although we focus on climate, two examples of higher-order social structures are organizational culture and the organization role structure. Culture, conceptualized as organizationally embedded assumptions and values, can function both as an antecedent to the HRM system and as a mediator of its linkage to firm performance (Denison, 1996). Organizational assumptions and values shape HRM practices, which, in turn, reinforce cultural norms and routines that can shape individual and firm performance. Role theorists conceptualize the organization as a system of formal roles, existing apart from any one current occupant, which serve to convey standardized information to employees about expected patterns of activity (Ashforth, 2001; Katz & Kahn, 1978). In this view the HRM system can be seen as part of the “maintenance subsystem” (Katz & Kahn, 1978) that defines roles, which, in turn, influence individual and firm performance.

Our focus on climate complements the technical and higher-order social structure perspectives on the HRM–firm performance relationship. We focus on climate because of our interest in multilevel relationships, since both psychological climates—as individual-level perceptions—and organizational climate—as a shared perception at the firm level—have been positioned as mediators of the relationship between HRM practices and performance (e.g., Kopelman et al., 1990; Ostroff & Bowen, 2000). Additionally, given our interest in strategic perspectives on HRM, climate is an appropriate construct for developing our framework, based on the recent emphasis on climates around strategic objectives that are purported to enhance effectiveness (e.g., Schneider, 2000).

Psychological climate is an experiential-based perception of what people “see” and report happening to them as they make sense of their environment (Schneider, 1990, 2000). This sensemaking is relative to the goals the organization pursues; how employees are to perform their daily activities; the management practices under which employees work; and the perceptions of the kinds of behaviors that management expects, supports, and rewards (Schneider, Brief, & Guzzo, 1996). Organizational climate is a shared perception of what the organization is like in terms of practices, policies, procedures, routines, and rewards—what is important and what behaviors are expected and rewarded (e.g., James & Jones, 1974; Jones & James, 1979; Schneider, 2000)—and is based on shared perceptions among employees within formal organizational units.

Climate researchers have acquired a strategic focus over the years, with the move from viewing climate perceptions as shared perceptions about global, generic issues to linking climate perceptions to a shared, specific, strategic content criterion of interest, such as a climate for innovation (Delbecq & Mills, 1985; Klein & Sorra, 1996) or service (Schneider, 1990). Individual-level psychological climates may emerge as a shared organizational climate, which, in turn, ultimately relates to organizational performance.

Climate is a critical mediating construct in exploring multilevel relationships between HRM and organizational performance. Because climate is widely defined as the perception of these formal and informal organizational policies, practices, and procedures (Reichers & Schneider, 1990), it follows that the HRM practices and HRM system will play a critical role in determining climate perceptions. In turn, empirical demonstrations have indicated that organizational climate is related to higher-level behaviors and organizational performance indicators, including customer satisfaction, customer service quality, financial performance, organizational effectiveness, and total quality management outcomes (e.g., Borucki & Burke,
Although the above variables are well established in the literature, the mechanisms by which they interrelate are poorly understood. For example, as Boxall (1996) has observed, knowledge of HRM practices is widespread, but knowledge of how to refine and implement them within a particular context (e.g., a particular strategic focus) may not be. With respect to climate, Schneider (2000) has observed that there is little research or understanding of how organizational climate actually develops. Intuitive acceptance of an HRM-climate linkage far exceeds theory development of the mechanisms responsible.

**INTEGRATING HRM CONTENT AND PROCESS**

Two interrelated features of an HRM system can be distinguished: content and process. By content, we mean the individual practices and policies intended to achieve a particular objective (e.g., practices to promote innovation or autonomy). The content of the HRM system refers to the set of practices adopted and, ideally, should be largely driven by the strategic goals and values of the organization. That is, given some strategic goal such as service, efficiency, or quality, a set of HRM practices should be devised to help direct human resources in meeting this goal. To be effective in terms of content, the foci of the HRM practices must be designed around a particular strategic focus, such as service or innovation.

While a number of different models detailing the appropriate HRM practices for different strategies have been offered (e.g., Dyer & Holder, 1988; Miles & Snow, 1994; Schuler & Jackson, 1987b), rhetoric about this contingency perspective outpaces data supporting it (cf. Huselid, 1995; MacDuffie, 1995; Schuler & Jackson, 1987a; Youn et al., 1996). It is likely that there is not a single most appropriate set of practices for a particular strategic objective. Rather, different sets of practices may be equally effective (Delery & Doty, 1996), so long as they allow a particular type of climate around some strategic objective (e.g., climate for innovation or service) to develop (Klein & Sorra, 1996).

We propose that HRM content and process must be integrated effectively in order for prescriptive models of strategic HRM actually to link to firm performance. By process, we refer to how the HRM system can be designed and administered effectively by defining metafeatures of an overall HRM system that can create strong situations in the form of shared meaning about the content that might ultimately lead to organizational performance.

Given a desired content of the HRM system, the HRM system may still not elicit appropriate collective behaviors and attitudes needed for effectiveness, because individuals may interpret the HRM practices idiosyncratically, leading to variability in psychological climate perceptions. HRM practices can be viewed as a symbolic or signaling function by sending messages that employees use to make sense of and to define the psychological meaning of their work situation (e.g., Rousseau, 1995). All HRM practices communicate messages constantly and in unintended ways, and messages can be understood idiosyncratically, whereby two employees interpret the same practices differently (Guzzo & Noonan, 1994). Although much has been written about the substantive content of HRM—that is, the specific practices that can build task-relevant skills and motivations such as those for a climate for innovation (Delbecq & Mills, 1985), service (Schneider, 1990), change (Schneider et al., 1996), or safety (Zohar, 2000)—little attention has been given to the social constructions that employees make of their interactions with HRM across practices and time (Rousseau & Greller, 1984).

In what follows we focus on how HRM can send unambiguous messages to employees that result in a shared construction of the meaning of the situation. Thus, we concentrate on understanding what features of HRM process can lead employees to appropriately interpret and respond to the information conveyed in HRM practices. We develop the notion that characteristics of a strong HRM system must be present in order for a shared, strong organizational climate to emerge (at the aggregate level) from psychological climates (at the individual level) and propose that the strength of the HRM system is a linking mechanism that builds shared, collective perceptions, attitudes, and behaviors among employees.

**CLIMATE AS THE SITUATION: THE CONCEPT OF SITUATIONAL STRENGTH**

Kurt Lewin’s early work on climate is the foundation of discussions of situationism in social
psychology (Ross & Nisbett, 1991). Lewin and his associates (Lewin, Lippit, & White, 1939) demonstrated that different leadership styles created different climates, which, in turn, led to different behavioral reactions and attitudes of members in the groups studied. As Ross and Nisbett summarize, “The main point of Lewin’s situationism was that social context creates potent forces producing or constraining behavior” (1991: 9).

**Strength of Situation**

The situation, as developed in situationism, entails the psychological meaning of situations for the individual and the behavior potential of situations for the individual (Endler & Magnusson, 1976). The interest is not in the physical or actual situation per se but, rather, the situation individuals “see” based on their perceptions, cognitive maps, schemata, enactments, and even behavior in the situation (Drazin, Glynn, & Kazanjian, 1999).

In an attempt to explain when the characteristics of a situation would most likely lead to consistency in behaviors, Mischel developed the concept of the relative power of situations to control individual behavior:

Psychological “situations” and “treatments” are powerful to the degree that they lead all persons to construe the particular events the same way, induce uniform expectancies regarding the most appropriate response pattern, provide adequate incentives for the performance of that response pattern, and instill the skills necessary for its satisfactory construction and execution. Conversely, situations and treatments are weak to the degree that they are not uniformly encoded, do not generate uniform expectancies concerning the desired behavior, do not offer sufficient incentives for its performance, or fail to provide the learning conditions for successful construction of the behavior (Mischel, 1973: 276).

In sum, situational strength deals with the extent to which a situation induces conformity—a strong situation—or is interpreted as ambiguous—a weak situation (Mischel & Peake, 1982). The interest is in specifying situational contingencies that identify when individual differences will or will not control individual behavior Mischel (1997).

**Strong Climates**

Only when perceptions are shared across people does organizational climate become a meaningful construct (James, 1982). Recently, the notion of strong or weak climates has begun to emerge in the literature, with a focus on the extent to which employees interpret the situation similarly, thereby producing low variance in perceptions about the situation (Jackofsky & Slocum, 1988; Payne, 2000; Schneider et al., 2002). As such, an organizational climate can act as a strong situation when employees develop a shared interpretation of the organization’s policies, practices, procedures, and goals and develop shared perceptions about what behaviors are expected and rewarded in the organization. Additionally, the work on strategic climate content—for example, for safety and innovation (e.g., Schneider, 1990) — assumes that the more HRM practices send strong signals about what strategic goals are most important and what employee behaviors are expected, supported, and rewarded relative to those goals, the more likely it is those goals will be achieved.

**STRENGTH OF THE HRM SYSTEM**

What are the features of an HRM system that allow for the creation of a strong situation? Although suggestions for appropriate process for separate practices have been offered (e.g., employee participation in the design and administration of performance appraisal), metafeatures of an HRM system overall have not been identified. Using social cognitive psychology and social influence theories, we propose a set of characteristics that allow HRM systems to create strong situations in which unambiguous messages are communicated to employees about what is appropriate behavior. These characteristics refer to the process by which a consistent message about HRM content can be sent to employees.

HRM practices can be viewed as communications from the employer to employee (Guzzo & Noonan, 1994; Rousseau, 1995; Tsui, Pearce, Porter, & Tripoli, 1997). The literature on message-based persuasion (Chaiken, Wood, & Eagley, 1996) has its roots in McGuire’s (1972) two-step process of “reception”—encoding of the message (exposure to the message, attention to its content, comprehension of the content)—and “yielding”—acceptance of the message (agreeing with the message and storing it in memory). For a message to have its desired effect, both reception and yielding are necessary. Yet mak-
ing sense of the environment often entails nu-
merous cycles of attending to information, inter-
preting information, acting on it, and receiving
feedback to clarify one’s sense of the situation,
particularly when events are highly ambiguous
or subject to change (Weick, 1995; Wicker, 1992).

Attribution theory has been useful in helping
explain message-based persuasion and in help-
ing identify key features that will allow for mes-
sages to be received and interpreted uniformly
among employees (Fiske & Taylor, 1991). In the
HRM context, employees are required to infer
cause-effect attributions from these communica-
tions to determine what behaviors are impor-
tant, expected, and rewarded. Causal inference
can be understood not solely as the inner work-
ings of the mind but also as a process by which
people gather and elicit causal explanations
from others and communicate their explana-
tions to others (Fiske & Taylor, 1991).

In order to function effectively in a social con-
text and make accurate attributions about a sit-
uation, an employee must have adequate and
unambiguous information. Although attribu-
tional frameworks have been used to explain
whether an individual attributes the cause of
another person’s behavior to internal or external
factors, Kelley’s (1967) attribution theory details
the process for making attributions not only to
other people but to situational factors as well.
According to Kelley’s (1967) covariation model,
an individual can make confident attributions
about cause-effect relationships in situations
depending on the degree of distinctiveness (the
event-effect is highly observable), consistency
(the event-effect presents itself the same across
modalities and time), and consensus (there is
agreement among individuals’ views of the
event-effect relationship). Indeed, Mischel’s
(1973, 1977) explication of a strong situation
implies that it is one in which there is distinctiv-
eness, consistency, and consensus.

We propose that when the HRM system is per-
ceived as high in distinctiveness, consistency,
and consensus, it will create a strong situation.
Using literature on message-based persuasion
and social influence, we elucidate nine meta-
features of HRM systems that build distinctiv-
eness, consistency, and consensus, thereby
creating a strong influence situation in which
employees share constructions of the situation.
As such, the features help foster the emergence
of a strong organizational climate, as opposed to
idiosyncratic psychological climate perceptions.
The strength of the HRM system can be concep-
tualized in terms of its effectiveness in convey-
ing the types of information needed to create a
strong situation.

Distinctiveness

Distinctiveness of the situation generally re-
fers to features that allow it to stand out in the
environment, thereby capturing attention and
arousing interest. We elucidate four character-
istics of HRM that can foster distinctiveness: vis-
ibility, understandability, legitimacy of author-
ity, and relevance.

Visibility. Visibility of the HRM practices re-
fers to the degree to which these practices are
salient and readily observable. This is a
basic prerequisite for interpretation involving
whether an HRM practice and its component
parts are disclosed to employees, affording
them the opportunity for sensemaking. Visibility
or salience has long been identified as an im-
portant characteristic in determining not only
whether people attend to information but how
they cognitively organize it (e.g., Tajfel, 1968)
and make cause-effect attributions (Taylor &
Fiske, 1978). For example, if performance criteria
are not transparent or if pay administration out-
comes are withheld, such as with pay secrecy,
this certainly will not create Mischel’s (1973)
strong situation, in which everyone has shared
constructions of the situation and uniform ex-
pectancies regarding the most appropriate
response pattern and what incentives are
available.

The creation of a strong organizational situation
requires that situational characteristics be
salient and visible throughout much of employ-
ees’ daily work routines and activities. When the
HRM system includes a wide spectrum of HRM
practices—for example, selection, training, di-
versity programs, employee assistance pro-
grams, and so forth—that affect a large number
of employees, visibility is likely to be higher.
Expanding the number and range of practices
should enhance salience and visibility, because
it increases complexity and allows for the set of
practices to be more figural relative to other
stimuli—both of which are principles of sa-
lience (Fiske & Taylor, 1991). Additionally,
shared meanings cannot be developed unless
most or all employees are subjected to and can perceive the same practices.

**Understandability.** Understandability of HRM content refers to a lack of ambiguity and ease of comprehension of HRM practice content. An organizational communication that cannot be understood can have no authority (Barnard, 1938). Features of the stimulus or situation evoke cognitive categories (e.g., schemas, scripts, cognitive maps), drawing attention to some features and away from others. Sometimes profound differences exist in category systems across people (Kelley, 1955). To the extent that the situational stimulus is ambiguous or unclear, multiple categorizations are likely (Feldman, 1981). That is, different people are likely to use different cognitive categories to attend to different aspects of the information, resulting in different attributions. For example, employees must be able to understand how the practice works. HRM practices such as benefit plans, gain-sharing plans, and succession plans are easily misunderstood or at least open to multiple interpretations.

**Legitimacy of authority.** Legitimate authority of the HRM system and its agents leads individuals to consider submitting to performance expectations as formally sanctioned behaviors. Influence by legitimate authority is essentially a perceptual process—that is, one sees the behavioral requirements of one’s own role as subordinate to another that stands out as the legitimate authority (Kelman & Hamilton, 1989). It is the concept of authority whereby individuals are willing to submit to the necessities of cooperative systems (Barnard, 1938).

The HRM system is most likely to be perceived as an authority situation when the HRM function is perceived as a high-status, high-credibility function and activity. This is most likely when HRM has significant and visible top management support in the firm and can be achieved through investments in HR practices or the HRM function, or perhaps by placing the director of HRM in a high-level managerial position. This fits the observation about the requirements for the success of HRM systems generally; namely, success depends largely on top management support, including top managers’ beliefs about the importance of people, investment in human resources, and involvement of HRM professionals in the strategic planning process (Ostroff, 1995). In such a way, the signal sent from top management is that HRM is “legitimate” or “credible.”

This notion is related to message source in social cognition, since the characteristics of the message source are linked to attributions made and the outcomes of persuasion (Fiske & Taylor, 1981). Communicator credibility (Chaiken et al., 1996) is a critical component in attribution, persuasion, and influence attempts. However, the elaboration likelihood model of persuasion ( Petty & Cacioppo, 1986) indicates that persuasion and influence are not simply functions of features of the communicator and credibility but, rather, joint functions of the communicator’s credibility and the recipients’ involvement in the outcomes (Hass, 1981). Relatedly, obedience to legitimate authority is a function of more than the individual’s subordination to a position of “higher office”; it also involves an individual’s interpretation of the relevance of influence attempts to them (Kelman & Hamilton, 1989).

**Relevance.** Relevance of the HRM system refers to whether the situation is defined in such a way that individuals sees the situation as relevant to an important goal (Kelman & Hamilton, 1989). Relevance, coupled with legitimate authority, means that influence is based on both a perception of superordinate authority and what Kelman and Hamilton (1989) term motivational significance. For the latter, individuals must perceive the situation as relevant to their important goals, that the desired behaviors are clear and optimally suited for goal attainment, and that influencing agents have the personal power to affect the achievement of these goals (Kelman & Hamilton, 1989).

Here, consideration of both individual goals and organizational goals—in our case, the strategic goal desired in the form of HRM content—is important in that individual goals should be fostered to align with those of the organization. Alignment or congruence between individuals’ and managers’ goals has been shown to have important consequences for both individual attitudes and behaviors, as well as for effective organizational functioning (Vancouver & Schmitt, 1991). Thus, the situation must be defined in such a way that individuals are willing to work toward goals that not only allow them to meet their own needs but, in doing so, also allow the organization to achieve its goals. For example, if the organization has a strategic goal of customer service and an employee val-
ues financial gain, then service-based bonuses will heighten relevance and allow both the individual and organization to achieve their goals. Relatively, the relevant desired behaviors must be specified and obstacles to their performance removed.

Additionally, relevance is a function of the perceived power of the influencing agent(s) to help individuals achieve relevant goals (Kelman & Hamilton, 1989). Influence is based on the extent to which an agent (e.g., HRM staff member or line manager enacting HRM practices) is perceived as possessing personal capabilities and is willing to use them to aid goal achievement—separate from his or her influence based on position power and legitimate authority. Perceived power of the influencing agent(s) depends on two factors. One is whether the agent can affect some of the conditions necessary for the achievement of relevant goals through, for example, the application of unique expertise or the allocation of necessary resources. Characteristics of the agent that bear on this issue include his or her prestige, special knowledge or expertise, representativeness, control of resources, and ability to apply sanctions. A second is the perceived likelihood that the agent will actually use his or her relevant capabilities in ways that will affect the likelihood of goal achievement.

Taylor and Fiske (1991) explain the relationship between relevance and the credibility or legitimacy of the message source. If outcomes (rewards, punishments, goal attainment) depend on someone else’s actions as well as the individual’s actions, then this creates a condition of outcome dependency, which, in turn, affects perceptions and attributions. When people are more outcome dependent, particularly when the outcomes are relevant, they direct more active attention to the person or source of communication. At the same time, when outcomes are particularly relevant, credibility of the message source has less of an influence. Thus, it appears relevance alone can enhance distinctiveness; when relevance is not strongly established, legitimacy plays a greater role.

Consistency

The above features of visibility, understandability, legitimacy of authority, and relevance help draw attention to the message and communicator, thereby increasing the probability that the HRM message will be encoded and interpreted uniformly among employees. However, distinctiveness alone is not likely sufficient enough for people to view the situation uniformly and to respond to the message sent by the set of HRM practices. For employees to make accurate attributions about what behaviors are expected and rewarded, attributional principles of causation must be present. Fundamental principles for causal attribution include priority, whereby causes precede effects, and contiguity with the effect, whereby causes occur close in time to an effect (Kassin & Pryor, 1985).

Similarly, as alluded to above, the literature on authority and influence indicates that individuals who are to be influenced must perceive instrumentality in the situation whereby behaviors lead to rewards. That is, the distinctiveness characteristics ensure that the HRM system is viewed, overall, as significant in defining the social context for employee behavior; a consistent pattern of instrumentality across HRM practices, time, and employees that link specific events and effects further enhances the likelihood that desired specific behaviors will be displayed.

These notions are related to Kelley’s (1967) concept of consistency. Consistency generally refers to establishing an effect over time and modalities whereby the effect occurs each time the entity is present, regardless of the form of the interactions. Thus, we focus on features that establish consistent relationships over time, people, and contexts: instrumentality, validity, and consistent HRM messages.

Instrumentality. Instrumentality refers to establishing an unambiguous perceived cause-effect relationship in reference to the HRM system’s desired content-focused behaviors and associated employee consequences. It ensures that there are adequate incentives associated with performance of the desired behavioral pattern. Strong instrumentality, combined with the earlier “relevance” of social influence, leverage influence within an expectancy theory of motivation perspective (e.g., Vroom, 1964).

Perception plays a central role in instrumentality because it emphasizes how employees anticipate likely consequences of behavior. Instrumentalities are shaped largely by reinforcement consistency and are established by consistency and repetition over time, particularly through
application of reinforcement principles. Employees are more likely to perceive the instrumentality when behavior and outcomes are closely linked in time (evoking the contiguity causation attribution principle) and when they are administered consistently over some time schedule (evoking the priority causation attribution principle). To the extent that HRM staff and line managers have the resources and power to link outcomes to behavior or performance on a timely and consistent schedule, they will be able to influence cause-effect attributions.

Validity. Validity of HRM practices is important because message recipients attempt to determine the validity of a message in making attributions (Fiske & Taylor, 1991). Thus, HRM practices must display consistency between what they purport to do and what they actually do in order for them to help create a strong situation. Selection tests, for example, must validly screen on desired employee abilities, thereby making a substantive contribution to human capital development. Recall that one aspect of a strong situation is that employees have the skills necessary to execute the behaviors expected of them. Barnard (1938) long ago observed that employees would view a communication as authoritative only if they were able mentally and physically to comply with it.

Validity also makes a symbolic contribution by signaling to employees what KSAs are valued in a setting and by adding more employees with specified skills to the workforce. Further, when a practice is implemented and advertised to have certain effects, and then does not do what it was intended to do, the message sent to employees is contradictory, and employees are left to develop their own idiosyncratic interpretations.

Consistent HRM messages. These convey compatibility and stability in the signals sent by the HRM practices. Considerable evidence indicates that individuals desire consistency in organizational life (e.g., Kelley, 1973; Lidz, 1973; Siehl, 1985). The lack of consistency in “double-bind” communication can lead to particularly intense cognitive dissonance (Siehl, 1985). Double-bind communication occurs when a person is faced with significant communication involving two separate messages (Bateson, Jackson, Haley, & Weakland, 1956). The messages are related to each other and deal with the same content area, but they are incongruent or contradictory. Consequences of inconsistency can be severe (Lidz, 1973).

Three types of consistency are required, each of which entails the need to avoid sending double-bind communications to employees and to allow for HRM content to be perceived consistently. One is between what senior managers say are the organization’s goals and values and what employees actually conclude those goals and values are based on their perceptions of HRM practices. Inconsistency here is a difference between what has been termed espoused values and inferred values (Martin & Siehl, 1983). For example, managers may espouse a value of risk taking, but employees may infer that performance appraisal and reward system practices reinforce playing it safe.

A second requirement for avoiding double-bind communication is internal consistency among the HRM practices themselves. In recent years, much has been written on the importance of designing an HRM system with practices that complement one another and fit together as a whole in achieving the organization’s goals (e.g., Becker & Gerhart, 1996; Delery & Doty, 1996; Schuler & Jackson, 1995; Wright & McMahen, 1992; Wright & Snell, 1991). Internal alignment among practices should result in performance advantages for firms, because the different sets of HRM practices will elicit, reward, and control the appropriate employee behaviors for achieving strategic objectives (Arthur, 1992; Ulrich & Lake, 1991; Wright et al., 1994). For example, if the ability to work in teams is a screening focus in selection, then internal consistency will be ensured if group, rather than individual, performance is the basis for rewards. Furthermore, if each employee encounter with an HRM practice (e.g., hiring decision, performance appraisal interview) is conceptualized as a separate situation, then, following Mischel (1968), the functional similarity of these situational stimuli will influence the generalizability of team-oriented behavior across on-the-job situations.

A third dimension of consistency is stability over time. HRM practices are situational stimuli, the meaning of which is acquired across time. Certainly, how one responds to a situation depends on one’s prior history with the stimulus (e.g., Mischel, 1968). Behaviors and behavioral consequences remain stable when the evoking conditions remain stable. In organizations where practices have been in place a long time,
there is stronger agreement among employees as to what is expected of them and what they expect of the organization in return (Rousseau & Wade-Benzoni, 1994).

**Consensus**

Consensus results when there is agreement among employees—the intended targets of influence by the HRM system—in their view of the event-effect relationship. More accurate attributions about what behaviors and responses lead to what consequences are more likely to be made when there is consensus (Kelley, 1972). Several factors can help foster consensus among employees and can influence whether individuals perceive the same effect with respect to the entity or situation in question. Among these are agreement among message senders, which can foster consensus (Fiske & Taylor, 1991), and the fairness of the HRM system, which can also influence consensus inasmuch as fairness involves whether employees understand the distribution rules by which they do, or do not, receive what they feel they deserve for their contributions.

It is also important to point out that consistency and consensus are distinct but interrelated concepts. For example, when individuals throughout the organization experience consistency in HRM practices, consensus is more likely to be fostered. At the same time, when message senders cannot agree among themselves on the intended message, consistency is likely to be hampered.

**Agreement among principal HRM decision makers.** Agreement among these message senders helps promote consensus among employees. Within a strategic HRM perspective, the principal decision makers in the organization (e.g., top managers, HR executives) set the strategic goals and design the set of HRM practices for achieving those goals. When individuals view message senders as strongly agreeing among themselves on the message, they are more likely to form a consensus (Fiske & Taylor, 1991). This perception of agreement can be facilitated in several ways and is related to distinctiveness and consistency.

First, when multiple decision makers agree on the message, distinctiveness can be enhanced because a larger number of individuals can send similar communications (increasing visibility). As more employees “see” the practice and perceive that top decision makers agree on it, consensus can be facilitated. Further, integration and close interactions among HRM professionals, managers, and top managers foster the exchange of tacit knowledge for the formulation and implementation of an organizational strategy and HRM system that reflect the firm’s strategic direction (Lado & Wilson, 1994). These integrations among decision makers can help promote relevance by clearly identifying important goals and means to goal attainment, as well as enhance legitimacy of authority of the HR managers and line managers enacting the HRM policies.

Second, to the extent that members of the top management team disagree among themselves about the goals of HRM and/or disagree with HRM professionals or managers, and to the extent that HRM managers and staff members disagree among themselves, it becomes difficult to send unambiguous and internally consistent messages to employees. Low consistency of HRM practices and lack of consensus are related in that disagreement among decision makers is likely to produce poor consistency in delivering practices; thus, different employees will experience different event-consequence relationships. Overall, then, agreement among top decision makers can help foster greater consensus among employees, since it allows for more visible, relevant, and consistent messages to be conveyed to employees.

**Fairness.** Fairness of the HRM system is a composite of employees’ perceptions of whether HRM practices adhere to the principles of delivering three dimensions of justice: distributive, procedural, and interactional (e.g., Bowen, Gilliland, & Folger, 1999; Folger & Cropanzano, 1998). Research indicates that the perceived fairness of HRM affects how positively HRM activity is viewed and the capability of the HRM system to influence employee attitudes and behaviors. Researchers have argued that there is a positive relationship between perceptions of HRM fairness and what has been termed the acceptability criterion of HRM practices (Bretz, Milkovich, & Read, 1992; Waldman & Bowen, 1998), which refers to the extent to which employees contribute to and utilize HRM (e.g., complete 360 degree appraisals and use feedback from it to shape their behavior).
Agreement among employees’ perceptions of event-effect relationships will be influenced by whether employees have similar perceptions of what distribution rules—principles of distributive justice—apply in what situations. Outcomes such as rewards can be distributed based on an “equality” rule, in which all receive the same outcome; an “equity” rule, in which subsets of employees receive different amounts based on relevant differences, such as in a merit pay system; or an “individual need” rule, such as flexible working hours for a single mother in unique circumstances (Bowen et al., 1999).

Management practices that lead to employee perceptions of procedural and interactional justice increase the transparency of these distribution rules (Bowen et al., 1999) and, by so doing, increase the likelihood that the HRM system will be characterized by consensus about event-effect relationships. Procedural justice can be enhanced by giving employees a voice in determining the methods by which outcome decisions are made—for example, involving employees in designing behavior or outcome-based performance appraisals. Interactional justice involves managers’ openly and respectfully explaining to employees the reasons behind decisions and the distribution of outcomes. It can include clarifying what distribution formula was used in making individual pay increase decisions in situations where not all employees received the same pay increase.

**CONSEQUENCES OF THE STRENGTH OF THE HRM SYSTEM**

HRM practices influence employee perceptions of climate at the individual level. Further, the characteristics of strong HRM systems are more likely to promote shared perceptions and give rise to the emergence of a strong organizational climate about the HRM content. That is, we propose that the strength of the HRM system will foster the emergence of organizational climate (collective perceptions) from psychological climates (individual-level perceptions).

In a strong situation, variability among employees’ perceptions of the meaning of the situation will be small and will reflect a common desired content. In turn, organizational climate will display a significant association with employee attitudes and behaviors. This occurs because a strong HRM system can foster similar viewpoints such that the situation leads everyone to “see” the situation similarly, induces uniform expectations about responses, provides clear expectations about rewards and incentives for the desired responses and behaviors, and induces compliance and conformity through social influence. Therefore, we propose that a strong HRM system process can enhance organizational performance owing to shared meanings in promotion of collective responses that are consistent with organizational strategic goals (assuming the appropriateness of those goals). More specifically, an HRM system high in distinctiveness, consistency, and consensus should enhance clarity of interpretation in the setting, thereby allowing for similar “cognitive maps” or “causal maps” to develop among people, as well as to create an “influence situation” whereby individuals yield to the message and understand the appropriate ways of behaving.

Further, while interactions and communication among employees are likely to result in collective sensemaking (Jackofsky & Slocum, 1988), regardless of the strength of the HRM system, we argue that in cases where the strength of the HRM system is strong, the sensemaking process will be most likely to result in the intended organizational climate. If the HRM system is weak, HRM practices will send messages that are ambiguous and subject to individual interpretation. Given ambiguity, one of two things may happen: variability or unintended sensemaking.

First, with a weak system, variability of individual responses may be large (Mischel, 1973). Considerable variance across individuals’ perceptions of psychological climates will exist, and shared perceptions in the form of organizational climate will not emerge. Individuals can construct their own version of reality (House et al., 1995) or their own version of what messages are being communicated by HRM practices and use this to guide their own behavior. Thus, in weak situations (low distinctiveness, consistency, and consensus), constructs at the individual but not the organizational level are likely to show strong relationships; psychological climate perceptions will have a significant association with individual attitudes and behaviors.

While a weak situation is produced by low distinctiveness, consistency, and consensus, we also argue that the most ambiguous or weakest situation is produced when distinctiveness is
likely to occur when ambiguity, or low effectiveness. This is particularly likely to lead to conflicts, poor productivity with organizational goals and strategies and the intended climate content; hence, it may conflict with the climate that emerges does not match the intended by the organization. That is, the interpretation that employees draw from the ambiguous situation is not the one intended by the organization. When faced with an equivocal situation or attributional uncertainty, individuals may attempt to reduce this uncertainty by engaging in a social process of interacting and consulting with one another to develop their own shared interpretations (Drazin et al., 1999; Fiske & Taylor, 1991; Weick, 1995). The danger here is that the collective interpretation that employees draw from the ambiguous situation is not the one intended by the organization. That is, the “strong” climate that emerges does not match the intended climate content; hence, it may conflict with organizational goals and strategies and ultimately lead to conflicts, poor productivity, or low effectiveness. This is particularly likely to occur when “distinctiveness” is low (although low consensus and consistency will also play a role). When practices are not made salient, visible, and understandable, ambiguity is high, and employees are more likely to refer to one another in an attempt to define the situation in their own way. Thus, we propose that low distinctiveness of the HRM system contributes to a collective sensemaking process that may result in unintended organizational climates. Furthermore, a weak HRM system process is unlikely to promote organizational effectiveness because it creates a weak situation in which either individual processes dominate or collective sensemaking results in shared interpretations that may be inconsistent with organizational strategic goals.

It is important to note that this process of emergence of similar perceptions of climate does not occur in a vacuum. While the HRM system and the strength of this system form the fundamental basis of whether similar perceptions will be derived, scholars have argued that interactions among employees are also relevant (Jackoﬀsky & Slocum, 1988). Morgeson and Hofmann (1999) provide rationales for the importance of these interactions in forming collective constructs. Within any collective, individuals are likely to meet one another and interact. Each interaction results in a discrete event, and subsequent interactions are termed event cycles. The structure of any collective group can be viewed as a series of ongoing events, activities, and event cycles among the individuals. These interdependencies and interactions among individuals over time can result in jointly produced responses, and it is this structure that forms the basis for the eventual emergence of collective constructs—one that can transcend individuals, individual behaviors, and individual perceptions.

This process is similar to the emergence of overlapping “causal maps” through cognitive processing (e.g., Weick, 1995; Wicker, 1992). Individuals develop causal maps, which are cognitive representations of the entities in the situation, certain qualities of those entities, and perceived linkages among them. Overlapping causal maps can be facilitated through social exchange and transactions among employees. In such a way, employees can collectively agree on the appropriate aspects of the environment to attend to, as well as how to interpret these aspects and how to respond to them appropriately. Thus, we propose that a strong HRM system facilitates interactions, interdependencies, and event cycles such that fewer event cycles are needed to develop shared interpretations.

**CONTEXT AND HRM SYSTEM STRENGTH**

In the preceding discussion we implicitly assumed an organizational climate. Yet researchers and theorists recognize the multidimensional nature of climate such that multiple types of organizational climates can exist within a firm and at different levels of analysis in the organization (Schneider, 1990). That is, different functional areas, departments, or groups may develop different subclimates (e.g., Payne, 2000). Likewise, cluster analysis has been used to demonstrate different collective climates within an organization—climates that represent clusters of employees who perceive the organization similarly and span formal organizational units.
We acknowledge that the content of the climate can vary across groups within the organization. Further, different HRM practices around a different content might be applied to different groups of employees. We propose that if the process of the HRM system is strong, a shared perception of the climate will emerge in organizational subunits, albeit with some differences in content or strategic focus across groups. Indeed, for many firms this may be strategically desirable—for example, in diversified firms, firms with multiple locations, international firms, or firms pursuing multiple strategic objectives in different parts of the organization. It is also likely that, for some groups in the organization, a shared climate will emerge, whereas for others it will not, owing to differences in the HRM process across different groups.

Another concern is the possibility that a strong climate might be inflexible and resistant to change, thereby compromising organizational effectiveness. The literature on strong cultures offers a resolution of this issue. A culture whose content comprises values and beliefs that support flexibility can be strong, without limiting the organization’s ability to adapt to its environment (e.g., Sathe & Davidson, 2000). Similarly, we propose that a strong climate that has elements of what has been termed a climate for innovation (e.g., Klein & Sorra, 1996), for example, can be simultaneously strong and adaptable. In other words, the process of the HRM system can create a strong climate adaptable to change, if the content of the climate includes elements that focus on flexibility and innovation. Although individual employees’ behaviors may differ so as to be innovative or flexible, all employees should still share the idea that this type of adaptability is what is expected of them. Thus, perceptions of the climate will be the same with a strong system that encourages innovation or flexibility, but there may be variance and changes in actual behavior over time.

FUTURE RESEARCH AND THEORY DEVELOPMENT

Research is needed on the properties of the HRM process, as distinct from research on the properties of practices (e.g., reliability) and the content of HRM practices and systems (e.g., the specific practices that make up different systems). That is, research is needed to delineate how these processes influence the attributes of the work situation as perceived by employees.

Little is known about the important parameters underlying organizational situations (e.g., Bem & Funder, 1978; Chatman, 1989; Fredrickson, 1972). We have proposed a set of features, based on social influence and social cognition theories, that should help create a strong situation and shared meaning. It is critical that the viability of these metafeatures of the organization be tested as important elements that create strong situations. Frederiksen (1972) proposes a number of different means for attempting to classify and develop taxonomies of situations. In this case, it may be useful to attempt to group or cluster situations on the basis of their tendency to elicit similar behaviors. This would require a three-dimensional data matrix, with the dimensions representing person, behavior, and situational attributes (Frederiksen, 1972). With such a procedure, one could derive clusters of responses or behaviors that differentially correspond with the nine HRM process features.

In addition, research is needed to determine the most appropriate means for “combining” the metafeatures of the HRM system. As suggested earlier, it is likely that some features are more critical than others in creating a strong situation. For example, without consistent HRM messages, distinctiveness and consensus may lose impact. Alternatively, although we believe this is less likely, a compensatory model may be appropriate in that a high level of one feature will make up for a low level of another feature. Thus, one could compare and test the viability of an additive model (i.e., the sum across all features), a configural model (i.e., different profiles of features), and a multiplicative or contingency model (i.e., interactions among the features).

Further, it is important to determine the relative impact of and interrelationships between HRM system strength and other determinants of strong situations or climates. Factors such as leadership, social relationships, and structural design features can also affect the strength of the situation and can foster the development of a shared climate (Ashforth, 1985; Ostroff, Kinicki, & Tamkins, 2003). HRM features are likely to interact with these other factors to further foster a shared sense of the situation. For example, supervisors can serve as interpretive filters of
HRM practices, and when they are visible in implementing practices or promote high-quality exchanges with employees, they can introduce a common interpretation among unit members (Kozlowski & Doherty, 1989; Naumann & Bennett, 2000).

Thus, a strong HRM system coupled with a visible supervisor may foster stronger relationships among HRM, climate, and performance than each would individually. Similarly, while our primary intent was to elucidate the characteristics of an HRM process that would allow for shared perceptions of climate to emerge, additional research is needed to determine the extent to which these HRM system characteristics can also impact other social structures such as culture, roles, communication patterns and networks, and social capital, all of which may enhance the relationship between HRM and performance.

**Relationships Between Content and Process**

Research is needed to test interrelationships between HRM process strength and content. The configural approach examines how a pattern of numerous HRM practices is related to firm performance so that the total effect of HRM is greater than the sum of the individual practices themselves (Becker & Gerhart, 1996; Delery & Doty, 1996; Ichniowski, Shaw, & Prennushi, 1997). The focus of this approach is on the sets of mutually reinforcing practices that may be related to firm performance. The strength of the HRM system may be a factor influencing whether the configural approach to HRM–firm performance relationships is supported in empirical studies. The likelihood that individual HRM practices would function as a set, in a mutually reinforcing manner, may be a function of the internal consistency of those practices and the effectiveness with which they are implemented together.

A similar case can be developed for assessing interactions between strength and content across climates for different strategic foci. For example, on the one hand, it may not be difficult to incorporate features of a strong HRM system for a climate focused on cost leadership or safety, given that the desired outcomes and behaviors associated with those criteria can be specified clearly. On the other hand, it may be more difficult to create a strong HRM system for a climate for service, given that the intangibility of service makes it difficult to specify service quality goals and the employee behaviors that will lead to them (Bowen & Schneider, 1988). This may either complicate the ability to create a strong HRM system or moderate the relationship between that strength and the uniformity of employees’ perceptions in the form of organizational climates.

**Methodological and Measurement Issues**

Two interrelated methodological issues are raised by our proposals. The first of these concerns appropriate measurement for the strength of the HRM system. The second concerns levels of analysis and aggregation issues in moving from individual-level perceptions of climate to collective constructs. A full discussion of these issues is beyond the scope of this article.

New measures will need to be developed to assess the strength of the HRM system. It is important to note that this construct is a situational context variable, and, as we have defined it, it represents a higher-level construct. In past research on HRM practices and systems, scholars have typically relied on reports from a higher-level manager or HR executive. In our case, HR directors and top managers could be asked to evaluate the dimensions of strength of the system. This procedure has the obvious advantage of obtaining a single, global measure for each dimension of strength of the system. However, this measurement technique focuses only on measures of the attributes from a single source that is at a higher level in the organization, while our primary theoretical focus lies in the impact these practices have on perceptions of employees. Because the concept of strength requires judgments and perceptions of employees, we suggest that a better alternative is to assess these characteristics of the HRM system from employees themselves. That is, the appropriate unit of measurement of assessing strength is the individual, since employee attributions and perceptions reside in the individual.

Future work should be directed at developing a valid measure of HRM strength. For example, to assess visibility, employees could be given a list of a variety of HRM practices and asked to indicate the extent to which each is utilized in
the firm. A comparison between those practices that agents of the HRM function assert are in place and those that employees indicate are used would provide some assessment of how visible the practices are to employees.

Similarly, to assess consistency, employees could be asked to what extent they have actually participated in or experienced each of these practices (e.g., received a semianual performance review). The percent of people indicating they experienced the practice would provide some indication of how consistently the practice is administered across employees in the organization. As an alternative, employees could be asked to indicate the extent to which they believe the practice applies to all employees.

Agreement might be assessed by asking top decision makers to delineate the strategic goals related to HRM and the intended message of the HRM practices (e.g., promote innovation and risk taking, promote loyalty and longevity, promote safety). High agreement among decision makers should be related to higher consensus among employees as to what practices are salient, visible, administered consistently, and so forth.

Such measures would be useful from multiple perspectives. First, the mean score on the dimension would provide an indication as to the level at which these characteristics are present. That is, a higher mean score on measures tapping distinctiveness, consistency, and consensus would be one indicator of strong HRM process. Second, researchers could assess the extent to which employees perceive characteristics in the same way—that is, they could assess the extent of agreement or variability in responses among employees. Higher agreement would support consensus and a strong system, whereas high variance in responses would indicate a weak system.

As to assessments of climate, agreement among employees about their perceptions must be demonstrated before aggregated measures of psychological climate perceptions can be used to represent a unit-level or organizational-level climate construct (James, 1982). Further, it is important to examine both the level (e.g., the level of rating on a dimension of climate) and the variability in responses. Level is an indicator of “content,” whereas variability is an indicator of situational “strength.” At the individual level of analysis, if one is interested in examining the relationship between perceptions of the climate and individual responses, the level of the individual’s responses on the variables is most useful. However, when moving to higher levels of analysis, additional measurement issues emerge. Strong and well-designed HRM systems produce greater homogeneity of perceptions and responses within the organization, resulting in organizational climate. The strength of the climate is indicated by the degree of variability in responses, regardless of the level of the aggregate rating on the content of climate. An indication of whether the HRM system creates a strong situation is the extent of agreement on climate ratings (Payne, 2000).

**FINAL THOUGHTS**

In listing challenges that the HRM community faces in the future, Ulrich cites the need for HR practice to be guided by HR theory. He reminds HRM professionals that theory helps explain the manner in which outcomes emerge:

To make HR practices more than isolated acts, managers and HR professionals must master the theory behind HR work; they need to be able to explain conceptually how and why HR practices lead to their outcomes... Regardless of the preferred theory, managers and HR professionals should abstract from it a higher level of reasoning for their day-to-day work and thus better explain why their work accomplishes its goals (1997: 238; emphasis added).

Recently, in the literature scholars have developed “why” HR practices lead to sustainable competitive advantage. Hopefully, this present effort at theory building on the strength of the HRM system can begin to help explain “how” HRM practices lead to outcomes the organization desires.

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