Mechanism of Transition in Nonprofit Human Resource Architecture from a Negotiated Order Perspective[1]

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Abstract

The purpose of this study is to show the mechanism by which the human resource architecture, a bundle of human resource policies, transitions from one type to another through a case analysis of a nonprofit organization (NPO). Specifically, adopting a perspective of "negotiated order" (Strauss, 1978), the mechanism by which negotiations on understandable contexts and issues are formed between the management and employees in the process of expanding human resource policies along with organizational development—and then creating a new human resource architecture—is demonstrated. Through the analysis of the case, propositions regarding conditions for the transitions in the human resource architecture and theoretical implications for non-profit human resource research are presented.

Keywords: *human resource architecture, negotiated order, human resource practices, non-profit organization*

1. INTRODUCTION

Since the enactment of the Law for the Promotion of Specified Nonprofit Activities (NPO Law) in 1998, there has been a steady expansion of activities by civic groups, particularly those incorporated as nonprofit organizations (NPOs) in various policy areas in Japan. Specifically, their influence in Japanese society has grown as they came to provide public services and address public issues. Under these circumstances, support-type NPOs called Local Infrastructure Organizations (LIOs[4]) have greatly contributed to the development of such civic activities by providing operational support to civic groups (Yoshida, 2004). Unlike business-type NPOs, LIOs, which aim to achieve their organizational mission through NPO support, find it difficult to secure stable financial resources through their own intermediary support business. Therefore, they mainly have engaged in many partnership projects with the public sector (Skelcher, 2007). On the other hand, human resources of LIOs are dispersed throughout the organization as they have low interconnectivity among those projects. A system in which personnel are assigned to each project hinders the development and retention of core human resources. In order for LIOs to secure stable financial resources and reliably provide social value, there is an urgent need to strategically treat, assign, and develop human resources.

This issue is being addressed in the field of human resource management (HRM) theory

(Boxall and Purcell, 2016). NPOs differ from for-profit organizations in that they have a diverse set of stakeholders and that their mission and values are the primary source of employee commitment. These lead to big differences in the human resource (HR) policies. The strategic HRM theory also argues that a human resource architecture (HR architecture), a combination of HR policies, rather than a single policy should be considered to capture the effects of HRM on organizational performance since empirical research on the effects of a single measure has shown conflicting results (MacDuffie, 1995; Becker and Gerhart, 1996; Delery and Doty, 1996; Appelbaum et al., 2000; Arthur and Boyles, 2007; Luo et al., 2020). A series of studies by Ridder et al. (Ridder and McCandless, 2010; Ridder, Baluch, and Piening, 2012; Ridder, Piening, and Baluch, 2012) are representative of the studies that examine nonprofit HRM from an architectural perspective. They present an analytical framework for how the HR architecture of NPOs is structured, and attempt to identify trends by creating a typology and actually positioning organizations in the real world.

However, as organizations grow or their environments change, HR architectures are expected to change accordingly, but this point has not been sufficiently examined (Luo et al., 2020). In addition, while existing studies have focused on institutional changes at the organizational level (e.g., Jackson and Schuler, 1995), the interaction between the management and employees in changing HR policies and how this interaction leads to the formation of a new HR architecture have not been sufficiently examined.

With the above issues in mind, we attempt to demonstrate the mechanism by which the HR architecture, a bundle of human resource policies, transitions from one to another from the perspective of interactions between the management and employees through a case analysis of a LIO. The structure of this paper is as follows. First, we review previous studies on non-profit HRM, and then present an analytical framework for the transitions in the HR architecture with adoption of "negotiated order" (Strauss, 1978). Second, we explain our research methodology based on a qualitative approach. Finally, through the case analysis, both

the proposition regarding conditions for the transitions in the HR architecture and theoretical implications for non-profit human resource research are presented.

2. THEORETICAL BACKGROUND

2.1. Strategic human resource management (SHRM) theory

The number of studies on HRM in NPOs began to increase in the 2000s. Early studies have focused on the challenges of individual HRM policies (Ban et al., 2003) and the differences between HRM policies of for-profit, public organizations and NPOs (Parry et al., 2005). This is an attempt to apply the best practices approach of SHRM theory to NPOs. This approach is based on the implicit assumption that certain HR policies are always better than others. However, this approach does not have a clear recognition of the relationship with the organizational environment nor the interactions between policies as it focuses on the effect of a single HR policy on business performance. Therefore, the link between HRM and mission and strategy in NPOs has gained increased attention (Akingbola, 2006). Following this, individual HRM policies (e.g., wages, education and training) that are compatible with strategies for mission achievement (Guo et al., 2011; Baluch, 2012) have been identified. This can be described as an application of the contingency approach of SHRM theory (Schuler and Jackson, 1987), which considers the adjustment effect of strategy on the causal relationship between policies and organizational performance on nonprofit organizations. However, issues remain with this approach, such as the lack of agreement on how to view strategy and the fact that it only listed as many policies as possible that were considered compatible with strategy with little consideration given to the interaction amongst said policies.

Subsequently, two approaches that attempt to address these challenges have emerged. One is the contextual approach, which emphasizes the impact of HRM on the external environment and the internal organizational context in which management decisions are made (Alcazár et al., 2005). This approach considers a wider range of stakeholders

in the formulation and implementation of HRM strategies, and emphasizes the social relationships that define the HRM system. Akingbola (2013) draws on the resource-based view (RBV) and resource dependence theory (Pfeffer and Salancik, 1978) to develop a model of the determinants of strategic HRM in NPOs. The model pays particular attention to the institutional environment, which requires NPOs to gain legitimacy from multiple stakeholders, manage dependency on funders, and coordinate expectations for different outcomes. In addition, the model incorporates the HR architecture (Arthur and Boyles, 2007), which consists of strategy, principles, policies, and practices, starting with the organization's mission. Management competencies, staff skills and attitudes have been found to be important in influencing staff perceptions of mission and values (Brown and Yoshioka, 2003; Salami, 2008; Stewart and Kuenzi, 2018; Wallace, 2018) on the one hand, and how management competencies and behaviors influence staff skills and attitudes has not been explained on the other hand. The other is the configurational approach, which seeks to clarify the nature of the interaction between multiple HR policies and their relationship to organizational performance.

Ridder and McCandless (2010) suggest that the difference between strategic and human resource orientation leads to differing HRM strategies and policies. By combining the highs and lows of each of the two dimensions, they developed a model of HR architecture in NPOs that can be divided into four types: (1) **Administrative HRM** (low in both human resource and strategic orientation) where the HR function is not specialized and minimal policies are in place; (2) **Motivational HRM** (high in human resource orientation and low in strategic orientation), which is characterized by a strong non-monetary orientation and high employee commitment and seeks to increase the fit between mission and policy; (3) **Strategic HRM** (low in human resource orientation and high in strategic orientation), which is characterized by reduced staff and increased reliance on volunteers to meet the demands of external stakeholders, especially funders; and (4) **Value-based HRM** (high in both human resource and strategic orientation),

which is oriented to achieve strategic goals while maintaining high levels of commitment. Ridder et al. (2012) further developed the HR architecture model in NPOs and presented a conceptual model that captures the relationship between specific types of HR architecture and organizational performance.

Based on the model of Ridder and McCandless (2010), Walk et al. (2014) conducted interviews with several German NPOs to determine the reality of HRM, including HR architecture. They extracted the following characteristics of the four types. Administrative HRM tends to have lower compensation levels, more short-term contracts, and a primary focus on cost reduction. Motivational HRM is characterized by a participative climate, work-life balance, flextime, difficulty with on-the-job training, and variation in whether or not performance appraisals are conducted. In strategic HRM, the focus is on professional development and it is clear that HR policies are implemented in an ad hoc manner. Finally, in value-based HRM, the difficulty of achieving value alignment with the organization was noted.

In addition, Baluch and Ridder (2020) reviewed 74 papers on strategic HRM in NPOs published from 2008 to 2017 and then highlighted emerging themes. First, the group of studies that addresses the content of HR policies showed that external pressures, such as demands for efficiency and rationalization, affect employment and job quality, and that even when management processes are aligned with the mission, inconsistencies between them arise as the environment changes and management responses to pressures vary. Second, based on the typology of Ridder and McCandless (2010), they presented three types of HR architectures: **Administrative architecture**, **Employee-oriented architecture**, and **Hybrid architecture** of these two architectures. **Hybrid architecture** is derived from empirical research findings (Ridder et al., 2012; Walk et al., 2014; Cunningham, 2017) that NPOs seek to balance conflicting demands such as cost reduction and employee well-being. Third, they pointed out that attention should also be paid to (i) the process by which the HR architecture, a bundle of HR policies, is perceived by employees (ii) the resulting

HR outcomes, such as employee motivation and engagement, and (iii) organizational outcomes resulting from employee behavior. As described above, the existing research has made a significant contribution to non-profit HRM research since it presented and refined a theoretical model of non-profit SHRM.

However, there are still research tasks that need to be addressed. The first task is to incorporate situational transitions of HR architecture into the model. The main purpose of the discussion of HR architecture in previous studies was to present a typology of HR architecture and to capture its characteristics. What the empirical studies based on the typologies revealed was the distribution of HR architecture at a point in time, not how HR architecture changes in a single organization. Individual organizations belong to a certain type of HR architecture at a given point in time, but they do not necessarily remain in that type of architecture, as HR architecture is subject to changes in the environment. Valeau (2015), in his paper on the developmental stage model of NPOs, found that capturing changes in HR architecture is important because many of the dilemmas reported in previous studies of NPOs are management related (in particular, human resource management). This is especially true for small NPOs because it is difficult to implement HRM policies as easily as in large corporations, and the only way to do so is through trial and error. Understanding HR policy means that the policy is rational for both management and employees. If an HR policy is smoothly introduced and implemented, both parties will share the perception that the policy is rational, but if the rationality of the policy is questioned, there is a risk that the shared perception will be shaken. Managers will try to mitigate this risk by changing the HR policy, but in the process the HR architecture may be changed.

The second task is to examine the gap between managers' intentions and employees' perceptions of HR policies. Despite the often-noted importance of this topic, studies on it are scarce (Bowen and Ostroff, 2004; Nishii et al., 2008; Ridder, Baluch, and, Piening, 2012). No matter how well an HR policy (or combination of policies) is designed, if its objectives are not communicated to or accepted by employees as intended by the management, the meaning and effectiveness of the policy will diminish and then HR outcomes will not improve. Therefore, attention should be paid to the specific thoughts, judgments and actions of individuals within the organization change over time.

The third one is to demonstrate how HRM processes and outcomes influence management decisions. According to Baluch et al. (2020), HRM is not simply driven by the pressures that come from the outside of the organization (e.g., environmental factors), but rather by management's response to tensions with the organizational mission. Valeau (2015) pointed out the importance of the role of management, which has the discretion to determine the direction of the NPO during its development stage, especially when uncertainties arise that could threaten its survival.

Therefore, different variations of HRM can emerge depending on how management deals with these tensions. However, external pressures are not the only factors that influence management decisions. Although organizational outcomes have been the ultimate goal of the SHRM model to date, it has been noted that examining the reverse causality hypothesis such that rather than the application of specific HRM measures leading to superior performance, improved outcomes lead to increased use of HRM measures (Becker and Huselid, 2006; Wright, Gardner, Moynihan, and Allen 2005), can provide new insights into how the relationship between HRM and performance changes over time (Jackson and Schuler, 1995; Piening et al., 2013). In order to examine this causal relationship, it is necessary to clarify how managers understand and are convinced, but this aspect is not mentioned or tested in the model developed by Baluch et al. (2020). Therefore, a future research issue would be to clarify the mechanism of how the management reassesses the results of the operation of the HR architecture and links these results to decision making regarding the next HRM.

In order to clarify the mechanism of transitions in the HR architecture, it is necessary to examine the external and internal factors of the organization that define (1) management's decision about what the HR architecture should look like, (2) employees' reactions as feedback to the policies

actually applied, and (3) management's response to these reactions. The cycle of new management responses is assumed to exist. This cycle is not institutionalized, but can be seen as negotiated. This issue could be approached from the perspective of the "negotiated order" (Strauss, 1978).

Rather than focusing on the structural determinants of organizational practices, negotiated order is a perspective that focuses on the micro-process negotiations in which work practices and organizational processes are routinized as a relatively stable social order. The negotiated order perspective is applicable not only to HRM in hybrid organizations, but also to that in NPOs. It could be an effective approach to clarify new aspects of HRM mechanisms. This is because small NPOs, in particular, find it difficult to simply implement HRM policies as in large companies, and they have no choice but to do so through a trial-and-error process. Understanding the HR policy means that the policy is reasonable for both management and employees. When an HR policy is introduced and implemented smoothly, both parties would share the belief that the policy is reasonable, but if there are doubts about its reasonableness, there is a risk that the shared belief will be shaken. The management will try to reduce this risk by changing the HR policy, and in the process the HR architecture may change. In other words, transitions in the HR architecture can result from negotiations over HR policies between the management and employees. In the following sections, we describe a theory and an analytical framework based on the Negotiated Order Theory to clarify the relationship between the negotiations promoted by both the management and employees and the HR architecture.

2.2. Negotiated order theory

This study applies Anselm Strauss' Negotiated Order Theory to analyze the mechanisms of the transition in the HR architectures. Strauss, along with his former collaborator Glaser, is well known as a proponent of "Grounded Theory" (Glaser and Strauss, 1967). Less well known, however, is that Strauss, a symbolic interactionist, developed the Negotiated Order Theory (Strauss, 1978) to counter the functionalist emphasis on the static aspects of

society and organizations. The Negotiated Order Theory presents the dynamic aspect of social and organizational order from the perspective of its constant change through "negotiations" among actors. Strauss sees societies and organizations as deposits of a history of interactions in which acting actors seek to realize their own interests and legitimize their own views (Barley, 2017). Strauss defines the negotiated order in an organization as "the sum total of the organization's rules and policies and any agreements, understandings, pacts, contracts, and other working arrangements that have now been obtained" (Strauss, 1978: 6), and all negotiated order is "reviewed, reassessed, modified" (Strauss, 1978: 5). He argues that the outcome of negotiation, the interaction between acting actors, creates an order that leads to the formation, maintenance, or even change of social and organizational institutions.

Strauss (1978) proposes a model of negotiation consisting of three components, interpreted as concentric circles: the negotiation itself, the "negotiation context" (opportunities for interaction), and the "structural context" (legal regulations, market structure, hierarchy) (Dokko et al., 2012). Negotiation is influenced by its context and structural context, but on the other hand, each actor with an "institutional logic" (Thornton and Ocasio, 2008), which is the logic of practice, has an "agency" (DiMaggio, 1988) to negotiate in relation to their interests. The "negotiation outcomes" produced by the interactions between the actors affect their respective contexts. Subsequent studies (e.g., Maine, 1982) have described the process by which social and organizational institutions are produced through recursive relationships between structural context, negotiation context, negotiation, and negotiation outcomes (Bishop and Waring, 2016).

The negotiation model has this recursive perspective in common with the theory of structuration (1984) proposed by Anthony Giddens, that describes a mechanism of the creation and reproduction of social systems based on the analysis of both structure and agents (actors). Since institutional theory of organization (DiMaggio, 1988; Scott, 2013) began to draw on this theory, Strauss's negotiation model has been

increasingly applied by institutionalists who focus on the process of institutional change through the negotiation process. For example, Bishop and Waring (2016), who focus on public-private partnerships in hospital management in the United Kingdom, identify the process of stabilizing hospital management through negotiation between private sector managers and frontline health professionals. Specifically, the process of negotiation reconciled the institutional logic of the private sector, which is oriented toward improving customer service (e.g., reducing waiting times for patient care and increasing patient satisfaction with health services), with that of the health professionals deployed by public organizations who emphasizes the provision of appropriate health care. The successful reconciliation changed the practices of both parties that accompany the conclusion of negotiations and made the hospital management stable.

However, the conclusion of negotiations does not mean the end of negotiations. Rather, new issues may raise the need to be negotiated. Differences in the actors' perceptions of these issues could lead to new negotiations. In other words, it is necessary to note that some kind of negotiation is always taking place as long as the organizational activity continues. Therefore, based on this point, this study captures transitions in the HR architecture by tracing the process of negotiation regarding the commitment of both management and employees. In this study, the analytical model of Dokko et al. (2012) is applied. The details are as follows.

3. ANALYTICAL FEAMEWORK

The analytical framework of this study, based on the application of the model by Dokko et al. (2012), is as follows: negotiations (the introduction of HR policies in response to organizational strategies) are embedded in structural contexts (laws and regulations, public policies, and the current state of the nonprofit sector). On top of this, actors conduct according to (1) their perceptions of the negotiation context or norms related to the issue, (2) the relationship between management and employees, and (3) the rules of the organization. Negotiations between them are conducted on a daily basis, and differences in perceptions are

reconciled in meetings and consultations as needed. When an agreement is finally reached between the two parties, the employee remains in the organization. In other words, order is maintained. In this case, there is no significant change in the HR architecture. On the other hand, when external events (exogenous factors) or drastic organizational decisions (endogenous factors) cause fluctuations in organizational management, they become factors that mediate transitions in the HR architecture.

In this dynamic negotiation process, each actor, while interpreting the events that mediate the negotiation, recaptures its perceptions of norms, rules and relationships in terms of its interests in the context of the negotiation. For example, if the subject of the negotiation is to promote an HR policy, there will be a difference in the perception of the HR policy between the management promoting it and the employees accepting it, and this difference will also appear in the perception of norms and rules. Negotiations then take place between the actors, taking into account individual interests in the negotiation process (whether the work-style fits or not, incentives for career development and skills acquisition, etc.). If the negotiation process is disrupted by employees' opposition to the HR policy, the management may take steps to restore order by changing the HR policy or other policies. If both sides eventually reach an agreement or understanding (negotiation), the implementation of the HR policy will be smooth, and the HR policy will be legitimized by both sides. Compared to Giddens's theory of structuration, Strauss's model of negotiation provides a deeper insight into a recursive relation between structure and agents (actors) since it demonstrates two types of interactions with the medium of the mediating factor defined by the negotiation context (structure). One function is to mediate the interactions between the negotiation context and the negotiations whose results are fed back to the structure. The other function is to mediate the interactions between agents (actors) based on negotiations where each of them exercises their own agency and whose results reconstruct both their components such as norms, relationships and rules, and HR architecture.
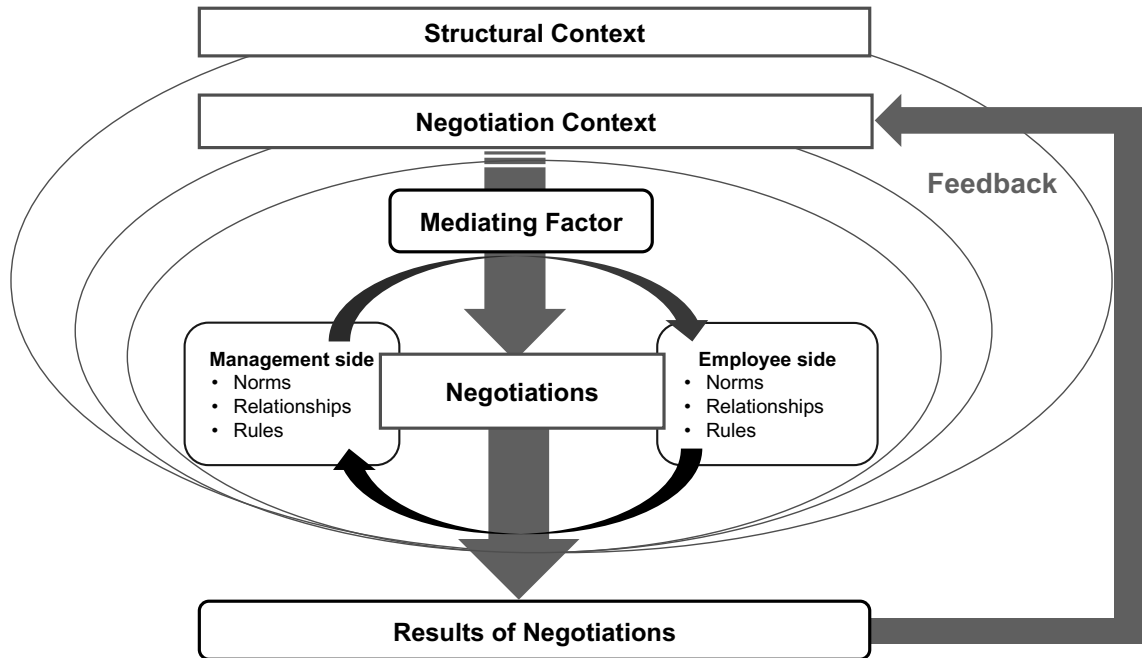
Figure 1: Analytical framework of negotiations in the study

Source: Adopted and adapted from Dokko et al. (2012)

4. RESEARCH METHODS

The purpose of this study is to identify the mechanisms of transitions in the HR architecture in NPOs with use of a single longitudinal case study. In particular, the focus is on analyzing the acceptance of HR policies by employees and their retention in the organization over time from the perspective of the negotiations between the management and employees. First of all, it is necessary to explain the reason for using a single case study of Organization A (Org A). Since 2017, we have conducted a pilot field study on three major LIOs operating in the same prefecture with the aim of conducting comparative case analysis. The case selection criteria for the pilot study are (1) the circumstances under which the organization was founded, (2) the roles they play, and (3) the stage of organizational development. In fact, all of three LIOs were born out of the 1995 earthquake disaster with the aim of activating civic activities, have all been playing a leading role of the nonprofit sector in addressing social issues in the areas where they work since its foundation, and all have in common the management issue of generational

change in management staff because each of them is in a mature phase.

Through the pilot study, it was found that Org A experienced a drastic change in its HR architecture in totally difference from other two LIOs. First, despite its tight budget, Org A spent more money[5] and time on HR development in the process of reforming its organizational culture with emphasis on organizational missions. This process was woven of active interaction between the management and ordinary staff members. Second, more rank-and-file employees have grown into core members who plan and manage the business based on organizational missions, which reflects a smooth generational transition of management[6]. Therefore, it is worth to investigate Org A in depth in order to find conditions for change in HR architecture. In this perspective, it is valid to employ a single case study with focus on Org A since it is a rare case (Yin, 2014). Despite being a single case analysis, this case is worthy of in-depth investigation because Org A has undergone a radical organizational reform through a series of rebranding strategies, including a change in organizational name and mission, and thus has become a completely different organization

Table 1: List of interviewees and interview details

Interviewee	Position at the Time of Interview	Date	Mode
Z	Co-Representative Director	27 February 2018	Face-to-face
Z	Co-representative Director	19 March 2018	Face-to-face
Z	Co-representative Director	16 April 2018	Face-to-face
Y	Deputy Secretary-General	9 July 2018	Face-to-face
K	Project Leader	9 July 2018	Face-to-face
X	Secretary-General	10 July 2018	Face-to-face
N	Project Leader	10 July 2018	Face-to-face
Z	Co-Representative Director	8 August 2018	Face-to-face
T	Co-Representative Director	24 December 2018	Face-to-face
T	Co-Representative Director	27 February 2019	Face-to-face
T	Co-Representative Director	13 August 2019	Face-to-face
T	Co-Representative Director	9 March 2022	Face-to-face
Z and T	Co-Representative Director	30 September 2022	On-line
Z and T	Co-Representative Director	12 December 2022	On-line
X	Executive Director	10 July 2023	On-line
Y	Secretary-General	31 July 2023	On-line
X	Executive Director	22 August 2023	On-line
Y	Secretary-General	28 August 2023	On-line
X	Executive Director	12 September 2023	On-line

Source: Authors created

from when it was founded. Therefore, it is expected that the case analysis would yield useful theoretical insights. For this reason, this study takes the form of a single longitudinal case study for analyzing Org A.

The case study approach used in this study is a "research strategy that focuses on understanding the dynamics that exist within a single environment" (Eisenhardt, 1989:534). As such, the case analysis approach, which is widely recognized in social research, has several advantages over more quantitative methodologies in explaining when, why, and how things happened and changed from the perspective of the practitioners of the research subjects (Yin, 2014). By tracing the changes in the context of negotiation, the case study of Org A is expected to identify the mechanisms and conditions for reformation of the organizational order (e.g., norms, rules, and relationships) that lead to the establishment of a new HR architecture.

In the process of collecting and analyzing the data on the transitions in the HR policies and the attitudes and behaviors of the management and employees since its establishment, we conducted the interviews with management members, including Co-Representative Directors, the Executive Director, the Secretary General, and Project Leaders to identify the mechanisms of the transitions in the HR architecture. Specifically ongoing semi-structured interviews (see details in Table 1), were conducted over a five-year period from 2018 to 2023. To collect data from the perspective of rank-and-file employees, we conducted additional interviews in 2023, asking X and Y to look back on their time as rank-and-file employees. These additional interviews helped to refine the data to be analyzed for the processes of negotiation between management and employees. The reason for collecting a large number of narratives from a small number of people through interviews is that in LIOs, many people are often replaced in a short period of time, and only a limited number of people have experienced changes in the HR architecture throughout the entire period. In addition, we have collected essential data from the annual reports, press releases, personnel records, and the data on

employees and management members who served from the year of establishment to 2019.

Based on these collected data, we demonstrate (1) the challenges of the HR architecture based on the stage of development of the organization and the related changes in the specifics of the HR architecture, (2) the transitions in the structural and negotiation contexts that define the negotiations between the management and employees during the transitions in the HR architecture, (3) the events that mediate the negotiations and the changes in the specific interests of both the management and employees related to each of these events. During the course of the case analysis, fact-finding and additional interviews were conducted as needed to refine the data. As for the identification of (2) and (3), to present the perspectives of both employees and management, we focused on the narratives of the current Executive Director (X)[7] and the current Secretary-General (Y)[8], both of whom were once rank-and-file employees, as well as the first Secretary General, who is currently one of the Co-Representative Directors (Z)[9].

5. CASE ANALYSIS

This section presents an analysis of transitions in the HR architecture with use of the analytical framework presented in the previous section. This study considers the negotiations between the management and employees over the introduction or change of HR policies based on their perceived norms, relationships and rules, leading to transitions in the HR architecture. The analysis here is based on a longitudinal case study of the LIO that has been undergoing organizational reform since 2009.

Org A was founded in 2002 as a non-profit organization to solve local problems through citizen participation. It then began to work on youth employment issues in 2006 and became a designated management operator of a prefectural facility in 2008. In 2009, the organization began to take on the role of an LIO, including support for the establishment of community businesses. In 2012, Org A worked on rebranding the organization and launched its own project to support team building, using the skills it had acquired. In 2021, Org A established a nursery to provide community-based

education. As of 2023, Org A's main activities are the operation of the public facility for which it is the designated manager, projects to activate local shopping districts, the operation of the nursery, and the NPO support business. The main turning point for Org A was the rebranding of the organization, initiated in 2012, and its entry into new businesses in and after 2015.

Therefore, the analysis in this study is divided into three periods: 2009–2011, the period when the organization developed rapidly **(transition from an Administrative to a Hybrid architecture leaning toward an Employee-oriented one)**; 2012–2014, the period when the emphasis was on individual self-realization **(transition from a Hybrid architecture leaning toward an Employee-oriented one to an Employee-oriented architecture)**; and 2015 and beyond, the period when the organization began to consider both individual self-realization and organizational performance **(transition from an Employee-oriented architecture to a Hybrid architecture leaning toward an Administrative one)**.

5.1. The period of developing organizational foundation: 2009–2011

In terms of the structural context, this was a time when NPOs were highly expected in society, as they became contractors for public services in a series of administrative reforms and tackled emerging social issues through partnership projects with local governments. As for the context of negotiation, Org A became involved in a public project in 2009, which led to the need to develop the organizational foundation and reform the organizational culture. The implementation of this project triggered negotiations to change the way in which individual tasks were carried out and became a mediating factor in the negotiations that led to a transition in the HR architecture of Org A. The manager and the employees described the disruption associated with the major organizational changes as follows.

> *Org A had two offices at that time. Salary levels were ultimately tied to administrative commissioned or subsidized projects, so the salaries of staff members involved in the two projects were different, even though they*

were staff members of the same organization. I thought that was a big problem, and I felt that we needed to unify the concept of salaries for Org A as a whole, not because they were involved in a particular project. I can't protect lifetime employment, but I want to provide some reasonable job security. And if the work is actually outsourced, it's impossible to give raises, isn't it? So, I wanted to create a system where I could give raises based on proper evaluation. (Z)

On the other hand, the employees speak out about the confusion surrounding the reform.

I didn't understand the mission, so from the field staff, it's really an operation like a treasure hunt. This corporation has no goals to be set. What do you want me to do? (X)

The organization was at the stage before clarifying its vision, mission, and branding, so it was a time when the direction it wanted to go in was not quite in line with the kind of human resources it needed to realize its vision and mission. Actually, we were looking for those who could work until 9:00 p.m., and people who live as close to the facility as possible, since the designated facility had to be open from 9:00 to 21:00. In fact, we didn't have a clear idea of what kind of people we wanted, and I think that's why there was a mismatch in the sense that, yes, we were hiring people who were completely different from people whom we wanted. (Y)

In conducting negotiations, the management side aimed for an autonomous organization that could plan and manage its own business while respecting the organization's mission (credo), and required the employee to "work creatively for daily learning and growth" and to "multi-task flexibly while improving routines" as a matter of course. In terms of the relationship with employees, management envisioned an organization made up of freelancers, each of whom is independent. In this regard, the manager states the following.

I had very little awareness of working conditions or employment in my last job. I thought that was wrong, because the more I thought about protecting employment, the more I thought about it. So, when I came to Org A, I was more concerned about creating a good working environment for the employees, such as establishing work rules and a pay raise system. However, there were a few things that I felt at that time. One is that the more we establish the working environment, the more we become workers. Even though we are an NPO, I don't think that's right. I think it's a little different if they become more like workers and make demands as the environment improves. Well, that's why we're going in the direction of team building. I think the relationship between management and workers is not right, even though we are an NPO. (Z)

In terms of rules, there were weekly staff meetings and monthly general trainings and meetings, during which employees were checked on their commitment to work, and employees were asked pointed questions by the management if they were inadequate.

There was a regular meeting once a week, and I often felt like I was asked sharp questions by the management. My impression of the organization was that there were quite a lot of people working there, so it was not a tree-type organization (Note: Unlike a company, it does not operate under a chain of command). When I was a new employee (at my previous job), for example, the only one who could be angry with me was my supervisor, and it was common practice to say that it was wrong if I crossed the line. But, in this organization management throws tough questions without regard for such things. (X)

On the other hand, the employees had the norm that they should perform their work based on the contract and viewed their relationship with the management as that of employer and employee. In terms of rules, they knew that they should work in a way that allowed them to perform routine tasks

based on the job description (facility management and expertise) and to perform the duties under a role-sharing arrangement.

> *The deciding factor for me to get the job was that I wanted to try something completely new," he said. The job description was very confusing, but it said something about administrative work, and I wanted to try that kind of work, so I thought it would be good. (At that time), each of us was still thinking, "What is Org A?". I remember working as if we were on completely different teams as having no shared values. (X)*

Negotiations were not conducted under a specific system, but took place in the course of daily activities as both sides argued their case and engaged in repeated dialogues, which led to changes in the HR architecture. As a result, the management began to change recruitment methods to eliminate hiring mismatches and to involve the employees in decision-making of the business. The division of labor was maintained with ambiguous job descriptions. On the employee side, those who did not agree with management's policies quietly left the organization without voicing their dissatisfaction.

> *I think things started to stabilize when the staff became younger. If we had a group of people with various experiences, they wouldn't listen to anything we said, so we changed to a system where we hire new graduates and new young people and nurture them all. (X)*

In particular, middle-aged and older employees with long experience in the private sector left the organization after a short period of time because they could not understand the norms demanded by the management, while some employees stayed and grew in the organization because they understood what the management wanted. For example, young employees such as X (with previous work experience in a company) expressed confusion about being involved in a work environment where, unlike in a company, goals and correct answers were not given and the division of labor was ambiguous. However,

on the other hand, as he participated in meetings, he gradually understood the norms regarding commitment held by the management side.

> *When I was asked to do something, I honestly didn't talk back; what was being said was logical, and although it was harsh to a certain extent, I was convinced that what was being said was true. And because they were so logical, I think everyone felt as if they were being denied their personalities. But I think that the top people are good communicators. At the weekly meetings, I was told what I was missing in various areas, but on the other hand, I was convinced by what they pointed out. (X)*

> *Employees were always asked to understand what the management expected of them and to meet those expectations. Or, because they were asked to do more than what was expected of them, experienced workers who were used to doing work where there was a clear understanding of what needed to be done could not keep up. (Y)*

Another employee (Y) was able to take action early in her career because the standards set by management matched her own.

> *In my current consulting work, I am rather good at grasping or understanding what is being asked of me. To some extent, I was able to grasp the needs required and respond to them, so I don't think I was really asked sharp questions so much from the management. But I think it would have been difficult to work in this organization if you had not been able to understand what was being asked of you. (Y)*

> *I am not very good at routine work, so I think I was suited to what the representative director was looking for. She was very insistent that my job was not just to give the keys to the users of the facility, so if we had just managed the facility, she would have been very angry with us. But I didn't really want to manage facili-ties, so I was more suited to thinking about*

Table 2: Negotiations in the period of developing organizational foundation: 2009–2011

		Contents
Structural Context		• Addressing emerging social issues through partnerships with non-profit organizations • Outsourcing public services to non-profit organizations as part of administrative reform
Negotiation Context		Work-style
Mediating Factor		Implementation of a major public project for the organization
Negotiations	Management side	Norms • Ability to plan and manage business while respecting the organization's mission (credo) • Working with creativity and flexibility to multi-task while improving routines Relationships • An organization composed of individually autonomous freelancers Rules • Commitment to work is monitored by the management and reprimanded if inadequate at frequent staff meetings
	Employee side	Norms • Perform work in accordance with the contract Relationships • Employer and Employee Rules • Work-style: The duties described in the job description are to be performed under a role-based system
Results of Negotiations		• Changed recruitment methods to eliminate employment mismatch • The division of labor should be maintained in ambiguity • Shared norms between the management and employees through meetings • Encouraged employee participation in decision-making about organizational strategy • Employees who didn't fit the norms quietly left the organization
HR Architecture		• Transition from an Administrative architecture to a Hybrid architecture (leaning toward an Employee-oriented one)

Source: Authors created

and planning various essential things. On the other hand, the ability to do what you are told in a routine way is also very important for an organization, but in Org A it was a role that was not valued at all. I think that's why people who were very conscious of this point quit. (Y)

5.2. The period of emphasis on individual self-realization: 2012–2014

In terms of the structural context, the nonprofit boom was waning and partnership grants were being cut. Meanwhile, the competition among organizations in the nonprofit sector, which had been growing, was intensifying. In terms of the negotiation context, the work-style was changing as it emphasized engagement with the organization. In addition, the need to differentiate from other organizations in response to changes in the

structural context emerged, and as part of this, the need to build an identity through rebranding became a mediating factor in negotiations. In conducting the negotiation, the management side sought organizational growth through the self-realization of individual employees. The norms of the management side were as follows: employees should work with flexibility to multi-task while improving their routines, employees should plan and run the business themselves, and they should be supported not by hand-holding the employees, but by conducting management strategy camps and management meetings, holding career design workshops, and providing many opportunities for skill development. Regarding the relationship with the employees, the management side regarded them as a group of freelancers. The rules were as follows: conducting recruitment activities through new job

media (Internet), describing job descriptions and work atmosphere, leaving job descriptions vague, encouraging employee participation, facilitating the sharing of norms through meetings, and delegating management tasks to employees who shared the norms. In this regard, both the manager and employee state the following.

> *We have always thought that it is better to have a flat structure in terms of team communication, so we are aware of who is in charge of the meeting and what kind of team is in charge of the meeting. But as an organization, we have always had a mix of who is the general manager and who has subordinates. (Z)*

> *From around 2012, we took the position that to some extent it is better to train people from scratch, even if they don't have any skills, than to hire mid-career workers, and in 2012–13 we only hired young people through specialized recruitment media rather than through public employment agencies. (Z)*

> *Prior to 2012, only managers and above came to the camp for meetings. However, after 2012, the number of participants expanded a bit more, so the move was made to have a camp for all full-time employees. (X)*

> *The employees have been rejuvenated, and I think the management has made it clear that the new employees will gain experience and know what to trust them with. The young employees are now able to think and develop their own projects. So, they have all been given the title of leader. ... and had a sense of responsibility for the business. (X)*

On the other hand, the employees had entered and remained in the organization with an understanding of management's rules and approach to employee relations (e.g., the goal of a freelance group). Therefore, the employees had the same perceptions as the management. During this period, Org A used a recruiting web-medium that made it possible to recruit people who could understand the organization's rules and ideas,

since those who did not understand management's rules and ideas about staff relationships left immediately, which may have also influenced these results. However, the new employees possessed a normalized concept that they should learn at Org A and work independently in the future, which later influenced the nature of how an organization should be.

> *When I went to a public employment agency for recruitment, I was asked, "What is an NPO?". On the other hand, when I conducted recruitment activities using an NPO recruitment website, many applicants said, "I have already worked for NPO as an intern. At the same time, I felt that they didn't have much work experience in the field and administrative work. (X)*

> *When I had meetings with those who were hired through a public employment agency, everyone just said the usual things. But when it came to people who were hired through a nonprofit recruitment website, their awareness was much higher. I think there were a lot of conscious comments like, "We need more of this." (X)*

The manager was also aware of this.

> *I think most people in their 40s are interested in community design and social activities, but they are more interested in working for social contribution than for personal growth and self-improvement. I think younger members are thinking about how they can improve themselves there, or they are thinking about NPOs as a career design. (Z)*

As a result of negotiations, Org A changed the name of the organization and its concept. Along with these changes, the employment promotion business, which had been one of the main businesses, became incompatible with the direction of the rebranding. Therefore, this business was separated from Org A and then a separate entity was created to take over this business. In addition, Org A has established a management system with

Table 3: Negotiations in the period of emphasis on individual self-realization: 2012–2014

		Contents
Structural Context		• Partnership subsidies reduced as the nonprofit boom ended • Increased competition among non-profits
Negotiation Context		Work-style and organizational commitment
Mediating Factor		Rebranding
Negotiations	Management side	Norms • Growth of the organization through self-realization of individual employees • Employees should plan and manage their own projects Relationships • Group of freelancers Rules • New job search media (web) to express job duties and work atmosphere • Vague job descriptions • Delegating administrative tasks to employees who share the same norms
	Employee side	Norms • Increased employee autonomy Relationships • Group of freelancers Rules • Vague job descriptions • High commitment and shared norms
Results of Negotiations		• Reinforced human resource development • Hired young employees with qualities that shared the mission • The number of applications from local people decreased
HR Architecture		• Transition from a Hybrid architecture (leaning toward Employee-oriented one) to an Employee-oriented architecture

Source: Authors created

an emphasis on human resource development by implementing new HR policies that allow young employees to participate in management strategy meetings and management meetings, to have their level of independence evaluated and reflected in their salaries, and to participate in any training programs they wish to attend. Org A accumulated and commercialized know-how on team building that was initially carried out to promote the participation of young employees in the management of the organization. In addition, by changing their recruitment media, Org A was able to hire young employees with the qualities to share the mission, but this also resulted in a decrease in the number of applications from local people who were needed to take on one of the original missions (community revitalization). In addition, since the employees worked on the assumption that they would learn in Org A and become independent in the future, their careers became more diverse: some employees

grew up to become managers (X and Y), some grew up to change jobs, and some left because they could not keep up with the organization's policies. Therefore, the work was allocated in such a way that the remaining employees would not be inconvenienced if others left. In this regard, both the manager and employees state the following.

> *So, we decided to create a system for developing human resources and a stage for growth, instead of protecting lifetime employment, so that young employees can accumulate skills while they are working at Org A, and then move on to any organizations or to have any jobs they want to do. It is unfortunate that the staff members who have grown up graduate and leave the organization, but as a result, it is the mission of this organization to have those graduates start doing what Org A wants to do in that area or do it themselves. Therefore,*

we decided to spend time, money and skills to improve the skills of our staff members. (Z)

Org A itself is basically an organization that has a strong attitude of asking people not to work here for a long time. The employees are not trying to make the organization itself bigger, but rather they have a strong sense of how to be involved in the organization and how to create their own careers using the organization. Each employee always has the attitude of wearing two hats, one for Org A and the other for other activities. (X)

It is a prerequisite for thinking and working independently. We are required to control tasks and manage ourselves. Basically, there is a culture of not doing the same thing year after year, and we are required to always think of new things to do. Hmmm... I think that people who are looking for security and stability in their work are not likely to grow, and it is difficult for them to last long. Hmmm... So, I guess...hmmm... It is difficult for those who are not always ambitious or have no desire to grow. (Y)

For example, staff member (X), who was promoted to the position of Executive Director during this period, was able to acquire the skills to change jobs by participating in the launch of a new business, which led to his personal growth and career advancement. In addition, staff member (Y), who was promoted to the position of Deputy Secretary-General, successfully launched a team-building business, a project she planned, while learning management skills that led to her own personal growth and career advancement.

5.3. The period of considering both individual self-realization and organizational achievement: 2015–

Just before this period, X and Y were promoted to current management positions. In terms of the structural context, this period saw the challenge of management that was not dependent on subsidies and an increased emphasis on independent business such as the business for regional activation. In

addition, as the non-profit sector grew, the labor market began to form. This made it easier for people to move from for-profit companies to NPOs. In terms of the negotiation context, the focus transitioned from how individuals work to how organizations are built. Org A began to build structures for organizational sustainability and to expand the scale of its operations. In addition, if the organization depended on the skills of particular individuals, the work for which they were responsible would not progress after they left the organization, so Org A began to move toward a non-personalized management style. The mediating factor that triggered this change led to the generational change in the management at the same time.

During the negotiations, management's approach was based on growing the organization through the self-actualization of individual employees, and continued to provide opportunities for skill development and other support, but did not provide hands-on guidance. And after hiring young employees, Org A emphasized training and asked them to be flexible enough to multitask while improving routines and planning and managing their own business. On the other hand, management had norms such as stabilizing the organization by developing people who could manage front employees as managers in the future. In other words, employees who could set up businesses and manage field employees, while being clear about the work structure and responsibilities. The relationship with the employees was to make everyone an independent player in what could be called a freelance group. The rules remained the same as those of the "individual self-realization period" (2012–2014).

I think the way to create an organization is probably very different from a for-profit organization. If anything, I think it is more like a for-profit organization rather than NPOs. If I had to put it in a strange way, I would say that in Org A there are a lot of freelancers. Employees can do their work on their own. If something goes wrong, the management blames them. But I can't really blame others because I tend to think that it's the system

Table 4: Negotiations in the period of considering both individual self-realization and organizational achievement: from 2015

		Contents
Structural Context		• Expansion of own businesses became an issue as public subsidiaries reduced • It became easier to change jobs as the non-profit sector grew and the job market formed
Negotiation Context		• Structuring the organization for sustainability
Mediating Factor		Generational change in the management
Negotiations	Management side	Norms • Growth of the organization through self-realization of individual employees • Providing support for skill development, but not hand-holding guidance • Clarification of work structure and responsibilities Relationships • Group of freelancers Rules • New job search media (web) that express job duties and work atmosphere • Delegating administrative tasks to employees who share the same norms • Assigning work so as not to cause problems even if the employee quits
	Employee side	Norms • Increased employee autonomy • Creation of your own career Relationships • Group of freelancers Rules • Vague job descriptions • High commitment and shared norms through meetings
Results of Negotiations		• Required players to have qualities appropriate to their work, rather than requiring everyone to become an autonomous player • Secured necessary human resources (through a side job system and a mechanism to accommodate experienced managers) • Supported the employees who might experience mental distress under pressure
HR Architecture		• Transition from an Employee-oriented architecture to a Hybrid architecture (leaning toward an Administrative one)

Source: Authors created

that's to blame, not the person. I think there is a big difference between the two. (X)

On the employee side, the norms were to learn at Org A, work independently in the future, and build their own careers. Employees who understood the norms on the management side behaved according to the same norms as the management side. The rules remained the same as those of the "individual self-realization period" (2012–2014). As a result of the negotiations, as employees continued to grow up themselves and then leave the organization to change their jobs, the management began to create a system to accept experienced managers while having a long-term development plan and improving salary levels. Instead of requiring everyone to become an autonomous player, Org A begun to look for qualities in players that are appropriate for the job and to provide support, such as specific instructions, to the employees who are having difficulty in the process of becoming autonomous. In addition, Org A begun to secure necessary human resources through a side job system.

When you become a leader, you become more committed, but we saw cases during this time where employees who had just joined the organization but did not understand the current state of the organization were made leaders and then collapsed due to overwork. (X)

I was dissatisfied with the fact that both managers and ordinary employees were asked sharp questions from all sides. For example, although everyone was working on different tasks at the same time, we were asked such questions by several managers. (X)

It was like, "Oh, here we go again," I thought. I had to train newcomers for many years as if I had been doing the same kind of training for decades. (Y)

6. FINDINGS FROM THE ANALYSIS

The findings from the case analysis can be summarized as follows. First, the HR architecture changed over time. For example, during the period of building an organizational foundation (2009–2011), its business expanded as the business in the NPO sector increased significantly. At the same time, there was a significant gap between the management's norms of how to pursue the organization's mission-based goals and the employees' norms of how to work. Specifically, while management expected employees to learn, grow, and be creative, and demanded multitasking that required flexibility, employees assumed they would do exactly what was described in the job description. Since the manager (the first Secretary-General) took it for granted that the staff would think and work based on the mission on their own rather than being given tasks by the organization, she believed that "the more you provide a working environment, the more demanding it becomes as a worker, which is a little different." On the other hand, the staff recognized that they were "working as if they were on a completely different team, with no shared values," because they were put in charge of an independent business soon after joining the organization and were required to think and work without being told specifically what kind of work they would be doing over time. The manager believed that one of the missions of the organization was to have autonomy and that autonomy should be reflected in the way the staff worked. However, negotiations were held to improve the situation as the staff was not fully aware of this nor did it lead to the desired behavior in the organization.

In this situation, the management held meetings, reviewed the work of each employee in detail, and sometimes asked pointed questions, but employees continued to work in the traditional way without breaking out of the routine work-style. As a result, the management changed its recruitment method from only showing job descriptions to showing the work-style on the web page. On the employee side, those who were unwilling to change their work-style resigned, while those who accepted the change stayed in the organization and improved their skills. This indicates a transition from an **Administrative architecture to a Hybrid architecture (leaning toward an Employee-oriented one)**. In addition, during the period of emphasizing individual self-realization (2012–2014), the HR architecture moved to an **Employee-oriented one** due to changes in recruitment activities, which attracted employees who agreed with the concept of emphasizing the growth of the employees.

However, during the period of balancing individual self-actualization and organizational performance, it became difficult to maintain the HR architecture that had been in place until then because employees who had grown up during this period began to actively leave the company or became independent. Therefore, Org A had no choice but to reconfigure its HR architecture based on a division of labor relationship that would prevent the situation in which work was personalized and depended on personal efforts. Although this movement has not resulted in a complete change to an **Administrative architecture**, a notable change occurred in 2015 to be oriented toward improving work efficiency. Thus, it may indicate a transition to a **Hybrid architecture (leaning toward an Administrative one)**.

Second, a result of the new HR policies set by the management did not directly bring about the changes. Rather, the changes were made through a process of trial and error to make those policies acceptable to the employees. For example, during the period when both individual self-actualization and organizational performance were being considered, a labor market began to form in the nonprofit sector that made it easier to change jobs, and employees who had been subject to training policies began to start their own nonprofits business

or move to for-profit companies. Therefore, in 2015 Org A, considering the sustainability of the organization, began to shift in the direction of making its work as non-personalized as possible. The management side did not deny the employees' way of working that was consistent with the mission because of its intention to increase employee autonomy, and continued to actively implement the HR policies that encouraged training. Although many of the employees shared the same norms as the management, some employees began to be overwhelmed by the pressure, and shortages of the employees became a serious problem. In response to this, the management decided to implement a long-term training plan, hire experienced managers, and increase salaries. In addition, the training bridged the perceived gap between management's intentions and employees' perceptions. The above shows that a recursive relationship has been established between the results of the negotiations and these contexts.

Third, the trial and error of HR policies that the management went through played an important role in the process by which employees who did not understand the organization when they first joined internalized the organization's values and became core employees. For example, during the period of the individual self-realization (2012–2014), as a result of the changes in recruitment practices, rebranding, and differentiating one's organization from others, more employees entered the organization with an understanding of the management's norms and rules. The management supported them in form of providing more opportunities to improve their skills without hand-holding, since its support focused on enhancing their autonomy. The measures taken to enhance their autonomy included holding workshops, reflecting the increased autonomy in part of their salary, and subsidizing those who actively participated in training programs. The support offered by the management led to a generational transition in the management, as the employees became able to plan and run the businesses. We believe that this framework is valid because these findings have been obtained by tracking the process of the negotiations between the management and employees in terms of norms, relationships and rules.

7. DISCUSSION AND CONCLUSION

The implications of this study are as follows. First, this research demonstrates that the HR architecture transitioned in response to the situation, but it is not a simple developmental stage model from an **Administrative architecture** to an **Employee-oriented architecture**, nor a simple Hybrid of those two models (Valeau, 2015; Baluch and Ridder, 2020). Although previous research has pointed to the importance of creating a strong HRM system (Bowen and Ostroff, 2004), there is also the possibility that even if a strong HRM system can be created at one point in time, the equilibrium may break down and a better form may revert to a worse one in a given phase. Even if the situation appears to be stable at first glance, it should be remembered that negotiations are always taking place, because in reality there are a series of events in daily work and the equilibrium relationship always has the potential to fluctuate. For example, if negotiation occurs and the problem is solved by successfully operating the current system, the system will not change, but if it exceeds the range (threshold) of the current system, it may lead to institutional change and eventually architectural change. Although the idea that changes in equilibrium relationships at the level of daily work can lead to changes in the architecture has not been widely considered, we believe that this is an important issue for the future in order to capture and investigate HRM in a dynamic way.

Second, this study clarified how processes and outcomes influence management's decision making. What went wrong with the process or outcomes manifested itself in the form of employee turnover or psychological breakdowns, which forced the management to correct these problems? In previous studies of HRM theory, the HR architecture was shown to employees after it was created, and the results of employees' actions according to it led to organizational performance (Ridder et al., 2012). The model ends when the results of employees' actions according to the model lead to organizational performance. In other words, the model attempts to identify the pathways through which HRM contributes to organizational performance at a single point in time, but there are recursive

Table 5: Types of HR architectures and their characteristics

Strategic Orientation	Consistency with Public Policy		
			Consistency with Organizational Mission
HR Architecture	**Administrative**	**Hybrid**	**Employee-oriented**
Strategy formulation	Core personnel (Mainly founder)	Core personnel only (Several management staff members)	Managers and above
Way to securing core personnel	• Hiring experienced persons	• Hiring experienced persons • Internal development • Institutionalization of support systems	• Internal development • Career development
Retention of core personnel	High	Medium-to-Slightly High	Slightly Low-to-Medium
Pay scale of core personnel	Slightly Low-to-Medium	Medium-to-Slightly High	Medium
Investment in HR	Low	Medium-to-Slightly High	High
Institutionalization of staff development, recruitment and evaluation	Low	Medium-to-Slightly High	Medium
Degree of training programs and its availability	Low	Medium-to-Slightly High	High
Degree of staff engagement	Low	Medium-to-Slightly High	High
Resource Orientation	Efficient use of Human Capital		
			Enhancement of human and social capital

Source: Authors created

relationships in actual HRM. There should be a feedback loop in which HR policies change in response to HR outcomes such as organizational performance, motivation, and turnover intentions, but this has not been examined in detail. We believe that this study can be positioned as one of the first steps in analyzing this point.

Third, there is a gap in the perception of HR policies between the management and employees. The cause of the loss of balance is triggered by the tasks in daily work. In previous studies, SHRM theory only provides evidence of the existence of the gaps (Bowen and Ostroff, 2004), but does not sufficiently examine the specifics of how to fill these gaps. Moreover, studies on such gaps emphasize the role of managers, who act as a filter for employees to interpret the messages that management puts into HR policies (Nishii and Paluch, 2018). However, these studies have not touched on the aspect of managers rethinking the nature of HRM in response to negotiations with employees, as the focus of these studies has only been on the aspect of conveying the message to employees as accurately as possible. We believe that this study is significant in that it focuses on this aspect.

Fourth, through the case study, this research became able to identify the HR architecture in more detail, but also to derive propositions about the path of transition between HR architectures, at least for LIOs. The respective architectures can be organized as shown in Table 4. When it comes to strategy orientation and resource orientation as indicated in Baluch and Ridder's (2020) review, strategic thinking that aims to achieve the mission can be categorized as alignment with organizational mission. The more alignment with public policy, the closer to an **Administrative architecture**, and the more alignment with organizational mission, the closer to an **Employee-oriented architecture**. In terms of resource orientation, which aims at efficient use of human capital, the greater the emphasis on efficient use of human capital, the closer to an **Administrative architecture**, and the greater the emphasis on enrichment of human and social capital, the closer to an **Employee-oriented architecture**. In the unfunded phase, NPOs need to meet the cost-cutting demands of funders in order to continue to operate the organization, and accordingly, efficient utilization of human capital is required. This leads to an **Administrative**

architecture that hires experienced staff whenever possible and does not incur costs for benefits and training. However, if administrative HRM is encouraged too much, the organization could become an administrative contractor of the public sector and the mission of the organization could be forgotten. To avoid this, as soon as it becomes possible to maintain a stable operation due to the accumulation of financial resources, NPOs would try to achieve consistency with their missions and move to an **Employment-oriented architecture** that aims at internal development of employees and spends more money on benefits and training.

Finally, we would like to raise some issues that could not be addressed in this study as future research issues. First, while it is clear that there is a gap in the perceptions of the HR policies between the management and employees, there is still much room for further investigation into the mechanisms that might bridge this gap. Second, it is not yet clear how major changes in HR policies are actually determined. In this study, we propose that negotiations over HR policies are constantly taking place due to subtle changes in daily operations. Sometimes, as a result of negotiations, HR policies are handled differently instead of not changing these policies, while other times, major changes in HR policies need to be made. It is necessary to identify where the dividing line is and what factors influence it.

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2) First author
3) Corresponding author
4) Currently more than 120 LIOs provide support services to NPOs in Japan (website of Japan NPO Center that is a national center of LIOs). It should be noted that many of them operate not only own center but also public support centers in collaboration with the public sector including local municipal and prefectural governments. As for the areas of their activities, some cover several local municipal areas, and others cover whole the prefectural area in which they place their activity base.
5) For example, in terms of the percentage of training expenses to current expenditure (average from FY2017 to FY2020), Org A (0.2%) differs from the other two organizations (0.14% and 0.05%, respectively).
6) During the period covered by the pilot study, Org A has developed more than five members into core staff while the other two organizations have each developed only a few staff members into core staff members.
7) X joined Org A as a rank-and-file employee in 2010. Few years later he became a Project Leader. X took over the position of the Secretary-General from Z in 2015, and then promoted to the Executive Director in 2019.
8) Y joined Org A as a rank-and-file employee in 2008. She also became a Project Leader few years later. She promoted to the Deputy Secretary-General in 2015. Then she took over the position of the Secretary-General from X in 2019.
9) Z joined Org A as the first Secretary-General of Org A in 2009. Then she was appointed the Co-Representative Director of Org A in 2015.

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