A Research Agenda for International Human Resource Management: Challenges, Developments and Perspectives

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Abstract. This paper aims to study the human resource management, and International human resource management. Also challenges and developments and perspectives come as well.

Keywords: Human Resource Management, International Human Resource Management

1. Introduction

HR managers, personally and professionally as business contributors, need specific competencies to succeed in the international arena. As a business discipline and an academic field of study, International Human Resource Management (IHRM) is in its infancy; yet it is very real and firmly established (Adler & Ghadar, 1990). There is little doubt that the empirical and theoretical foundations of IHRM, alongside their application in practice, have developed significantly since the 1980s when Laurent (1986) described the field as being in its infancy. Indeed, in a recent review of the field, Lazarova optimistically argues: "as an area of research, IHRM is vibrant and diverse and has grown even more so in the past decade" (2006: 43). In a similar vein, Björkman and Stahl (2006) note that not only has the degree of research in the field increased, but so too has the scope of the studies undertaken. Though a thorough discussion of the state of the field of IHRM at the beginning of the 21st century is beyond the scope of this paper (see Schuler et al., 2002; Scullion, 2004; Björkman and Stahl, 2006; Lazarova, 2006 for a discussion in this regard), we instead provide an overview of some important issues in IHRM and focus on the future prospects for IHRM (Scullion and et al., 2007).

2. International Human Resource Management

2.1. International HRM and Domestic HRM

In the early years of academic exploration surrounding IHRM, a number of scholars suggested that IHRM differs from its domestic counterpart in terms of a number of factors (Dowling, 1988). The following updates this perspective.

It is necessary to know that the practice of HRM in the international context is different from its domestic counterpart in a number of ways. This includes the IHR department in a multinational firm (1) being responsible for a greater number of activities, such as the management of international assignees, which includes such aspects as foreign taxes and work visas and detailed assistance with family relocations to foreign locales; (2) having to expand its areas of expertise to include a much broader perspective, including knowledge of foreign countries and their employment laws; (3) having to get much more closely involved – than is ever necessary in a purely domestic situation – with employees' (and their families') lives as the firm moves employees from country to country; (4) being involved with a greatly expanded and constantly changing mix of employees, adding considerable complexity to the IHR management task; (5) having to cope with more external influences, such as having to deal with issues stemming from multiple

cultures and countries; and, as a result, (6) having to face much greater exposure to problems and difficulties, and thus, exposure to much greater potential liabilities for making mistakes in HR decisions (e.g. the cost of a failed international assignment can be as high as US$1 million) (Claus, 1998l; Briscoe & Schuler, 2004, p.29).

The typical domestic US HR manager does not have the contacts or networks that become necessary to learn about and handle the new international responsibilities. He or she doesn't typically have any experience with the business and social protocols needed to interact successfully with foreign colleagues or with the forms of organizational structure used to pursue international strategies (such as joint ventures or cross-border acquisitions) (Briscoe & Schuler, 2004, p.29). Additionally, the still relatively limited body of literature and publicly available seminars and training programs make it much more difficult to develop the competencies needed to manage successfully the IHRM function (Briscoe & Schuler, 2004, p.29).

2.2. Development of HRM

HR managers in essentially all forms of organization can and do confront aspects of international HR. The extent of this involvement will vary according to a number of factors and will invariably increase with time. But as internationalization of business increases in extent and intensity, HR managers will be called upon to contribute increasing expertise to that internationalization (Briscoe & Schuler, 2004, p.26).

One of the fundamental problems in successful HR management is to find (recruit and/or train) HR managers who, although they are raised and experienced in one culture, can effectively interact with and manage people raised in one or more different cultures, and who can develop effective HRM practices and policies in all of the various business environments in which the employer operates (as well as helping the firms executives plan for and manage effectively in these environments, as well) (Briscoe & Schuler, 2004, p.26).

As previously mentioned, IHRM, as an academic discipline and as a functional business area, is in its youth. This is at least in part due to the generally limited role of HRM within many large firms, including the large MNEs (some of which has to do with HR managers themselves) (Briscoe & Schuler, 2004). Suddenly, in the last twenty years or so, as business in general has rapidly internationalized, HR professionals have been called upon to manage a number of new activities, such as the management of international assignees, to work alongside HR professionals from other countries, and to adapt their HR practices to multicultural and cross-cultural environments (Clause, 1998).

There have been a number of reasons put forth to explain this late awakening to the importance of international business in US firms and its impact on human resources (Clause, 1998, 1999). In general, HR professionals have failed to embrace globalized economy as part of their development, and, indeed, have only recently begun to see the necessity (and business schools and professional HR societies have also been slow to add offerings in international HR to their curricula) (Briscoe & Schuler, 2004, p.27). Additionally, often HR managers are the last ones in their firms to focus on the increasingly globalized economy, the last ones to take on international assignments, and thus often the last ones on the management team to contribute as fully fledged strategic partners in the internationalization of their companies (Briscoe & Schuler, 2004, p.28).

2.3. Two Perspectives in IHRM

In general, there are two quite different perspectives to exploring issues in IHRM (see Briscoe & Schuler, 2004). These include:

1. Discussions of HR policies and practices and the HR function and department within the multinational enterprise, focused on the management of its employees, and also focused on the strategy and structure of its operations.

2. Discussions of HR policies and practices in various countries as well as characteristics of those countries, focused primarily on what is often referred to as "comparative" human resource management (Briscoe & Schuler, 2004, pp.26-27).

2.3. Global HRM Challenges

Perhaps the greatest challenge most companies face in expanding their foreign direct investment (FDI) is how to integrate host country national (HCN) managers into the management process of their overseas subsidiaries as well as that of the parent companies themselves (Keeley, 2001, p.1). In HRM Internationalization, there are some problems associated with HCN integration for most companies so human resource managers should seek and clarify the extent to which HCN managers are actually integrated (Keeley, 2001). As an integral part of this process, there are a number of important related topics such as: parent country's management in general, the transferability of parent country's management practices to their foreign subsidiaries, international human resource management (IHRM) issues, as well as cross-cultural management and multinational management issues. Investigating the role of HCN managers provides insights into country's IHRM through the eyes of the HCN managers themselves and reveals how multinational corporations (MNCs) actually manage their foreign subsidiaries (Keeley, 2001).

3. Conclusion

For our purposes in this paper, we specifically discussed the localization of people (Scullion& Collings, 2006). From this perspective, localization (sometimes called labor nationalization, host country national development or indigenization) is defined as, "the extent to which jobs originally filled by expatriates are filled by local employees who are competent to perform the job" (Selmer, 2004: 1094) and it is often considered one of the crucial drivers of the employment policies of many nation-states. Localization also influences the state's relationships with foreign organizations seeking to operate within their national boundaries. Evans et al. (2002) see localization as systematic investment in the recruitment, development and retention of local employees, which is an important element in the globalization strategy of multinationals (Scullion& Collings, 2006, 139-140).

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