The field of ‘international human resource management’ (IHRM) research has grown extensively over the last few decades. Since André Laurent in 1986 described the field as being in the infancy stage of development (Laurent, 1986), we have witnessed a rapid transformation of the field of IHRM research. The establishment in 1991 of the *International Journal of Human Resource Management*, that mostly publishes articles within IHRM, was an important milestone. For the first time there was a ‘home journal’ for scholars pursuing IHRM research. At the same time, a significant number of IHRM articles were published in prestigious management journals like *Academy of Management Journal*, *Administrative Science Quarterly* and *Organization Science*. The number of conferences and workshops dedicated to IHRM research has also increased. By the time this book is in print, the Eighth Conference on International Human Resource Management will have been held.

While growing in size, the field has also expanded in scope. It has shifted from an early focus on the topic areas of top management attitudes and staffing decisions in multinational corporations (MNCs) (Edström & Galbraith, 1977; Perlmutter, 1969) and expatriate adjustment and performance (Torbjörn, 1982; Tung, 1981) to a field characterized by a high degree of diversity, cross-fertilization of ideas from different disciplines, and ambiguous delineations of what is included in the field and what is not. In this *Handbook* we define the field of IHRM broadly to cover all issues related to the management of people in an international context. Hence our definition of IHRM covers a wide range of human resource issues facing MNCs in different parts of their organizations. Additionally we include comparative analyses of HRM in different countries.

**Development of the field of IHRM research**

Although the coining and spreading of the term ‘international human resource management’ took place only in the late 1980s and early 1990s, the history of what we view as IHRM research arguably covers a time span of some 30 years. Much of the early work focused on staffing decisions in
MNCs and how to manage expatriate managers from the corporation’s home country. Perlmutter’s seminal article ‘The tortuous evolution of the multinational corporation’ (1965 [in French]/1969) is arguably the first influential article published within IHRM. In this article the author distinguishes among three different attitudes of MNC headquarters executives: ethnocentric (home country-oriented), polycentric (host country-oriented) and geocentric (world-oriented). In MNCs where headquarters has an ethnocentric attitude, managers from the home country are seen as superior to those of the other countries in which the MNC has operations. In the IHRM literature, Perlmutter’s headquarters orientations became the standard way to classify international HRM strategies, in particular staffing policies and practices, and the terms ‘ethnocentric’, ‘polycentric’ and ‘geocentric’ are today widely used (Collings & Scullion, this volume; Harzing, 2004a). Heenan and Perlmutter (1979) later added a fourth category: ‘regiocentric’.

Subsequent to Perlmutter’s important contribution, two streams of work soon began to emerge: one focusing on the management of expatriates, where much of the emphasis was on the expatriate job choice process and factors that contributed to the adjustment and performance of the expatriate (for example, Ivancevich, 1969; Miller, 1973; Miller & Cheng, 1978); the second focusing on the roles that the transfer of people across units played in the management of the MNC (for example, Franko, 1973; Heenan, 1970), with some authors trying to integrate the two research streams (for example, Robock & Simmonds, 1973; Zeira, Harari & Nundi, 1975). Empirical studies focused almost exclusively on US MNCs and expatriates. Tung (1981, 1982), in her work on international staffing, was one of the first to examine how MNCs from different regions (USA, Europe and Japan) selected and trained managers for overseas assignments.

Throughout the 1980s and in the early 1990s much was written about the management of expatriates (for example, Black, 1988; Black, Mendenhall & Oddou, 1991; Harvey, 1998; Mendenhall & Oddou, 1985), reflecting the heavy emphasis on expatriate management issues among the HR staff responsible for IHRM in the MNC headquarters organization (see also Thomas and Lazarova, this volume, for a critical review of research on expatriate adjustment and performance, and Caligiuri and Tarique’s chapter on expatriate selection, training and development). For instance, Reynolds (1997) reports that IHRM staff in US MNCs in the 1970s devoted almost all their time to managing expatriate assignments.

Edström and Galbraith’s (1977) research on the motives for transferring managers across units became highly influential among IHRM researchers. They describe three motives for international assignments: to fill positions when qualified local nationals are not available; as management
development (that is, to develop the expatriates through the experiences they gain during their international assignments); and as organization development (through socialization of expatriates, as well as through the development of interpersonal linkages across MNC units). Studies published in German by, among others, Pausenberger and Noelle (1977) and Welge (1980) (cf. Harzing, 2004b) presented similar if not identical classifications of motives for the deployment of expatriate managers. This line of research later became integrated with a growing literature on international business strategy and the management/organization of MNCs (Bartlett & Ghoshal, 1989; Hedlund, 1986; Prahalad & Doz, 1987).

Researchers who at the turn of the century began studying interpersonal and inter-unit relationships within MNCs from social network or social capital perspectives (for example, Tsai & Ghoshal, 1998) are at least indirectly building on the classic piece by Edström and Galbraith (1977).

One of the many management issues facing MNCs is the extent to which to transfer management practices across borders. Some of the early work on this issue developed from Hofstede’s (1980, 1991) research on cultural differences among the countries in which the IBM corporation operated. Other scholars, such as Laurent (1986), strongly argued that national cultural differences have a significant impact on HRM practices and that MNCs need to pay attention to cultural factors when deciding upon HRM policies in their foreign operations. It was also proposed that cultural features of the home country of the MNC had an impact on the kind of HR policies and practices used by the MNC. However, in the 1990s, some of the emphasis among IHRM scholars shifted from a cross-cultural perspective on HRM to studying MNC practices in overseas affiliates within institutional theory (for example, Rosenzweig & Nohria, 1994) and national business system (for example, Ferner & Quantanilla, 1998) perspectives. The potentially positive aspects of transferring HRM found to be efficient elsewhere to other parts of the MNC have also received attention in the literature (for example, Evans, Pucik & Barsoux, 2002).

Another trend that emerged was an increased emphasis on the strategic role of HRM. The early to mid-1980s saw the emergence of the term ‘human resource management’ (HRM) and hence HRM as a recognized field of study. Most observers trace the birth of the field to the foundational conceptual models of the ‘Harvard’ (Beer et al., 1984) and ‘Michigan’ (Fombrun, Tichy & Devanna, 1984) schools. A central aspect of HRM that clearly distinguishes it from the previously dominating ‘personnel management’ is the link between HRM and strategy. HRM scholars such as Guest (1987) argued that HRM is long-term, proactive and strategic, and that it constitutes an integrated approach to the management of people. The new HRM discourse originated in the USA and was focused on the domestic
operations of US corporations, but it did not take long for scholars based outside North America as well as researchers doing work on HRM within MNCs to become influenced by the new HRM concept. This led, not only to a surge in studies aiming at examining how HRM was related to organizational performance (for example, Arthur, 1994; Huselid, 1995; Macduffie, 1995), but also to critical reactions towards the alleged and/or proposed trends towards HRM (for example, Storey, 1995; see also Peltonen, this volume) and critique of the notion that there might be a universal model of HRM regardless of the national context within which the corporation operates (for example, Brewster, 1995; Brewster, this volume).

In this way, the new HRM discourse contributed to reinvigorate the comparative studies of industrial relations and personnel practices in different countries that had already been carried out for some time. The interest in comparative research had to no little degree been a result of the rise of large Japanese corporations in the 1970s and 1980s, and the rich literature on the people management practices found in these corporations (for example, Boxall, 1995; Pucik, 1984). More recently, research on HRM practices found in foreign affiliates, the increasing reliance on alliances and joint ventures, and a surge in mergers and acquisitions of firms from different countries have contributed to an increased cross-fertilization of insights from comparative studies of HRM in different countries with research focusing on the operations of MNCs (Budhwar & Sparrow, 2002). For many years already, there has been a large group of IHRM scholars carrying out comparative research on HRM across countries not only with an interest in understanding the effect of cultural and institutional factors on HRM but also with an agenda to shed light on cross-national processes of convergence and divergence of HRM (Brewster, Mayrhofer & Morley, 2000, 2004; Brewster, this volume).

However the biggest impact of the HRM concept on IHRM research was probably in terms of its influence on efforts to link HRM policies and practices to the organizational strategy of MNCs. Within this body of literature – sometimes called Strategic International HRM, and building increasingly on recent developments in strategy and organizational research such as the resource-based view of the firm (Barney, 1991) – scholars, among others, have developed comprehensive models of the causal factors influencing HRM policies and practices in MNCs (Schuler, Dowling & De Cieri, 1993; Taylor, Beechler & Napier, 1996). But researchers have also come to believe that there are strong opposing forces facing MNCs, dualities that firms need to understand as they develop HRM policies and practices in a world where successful operations require multidimensional organizational capabilities (Evans & Doz, 1989; Evans et al., 2002). One particularly important duality that global organizations
must manage and that has major implications for IHRM policies and practices is that of centralization (or global integration) versus decentralization (or local responsiveness) (see Prahalad & Doz, 1987; Rosenzweig, this volume).

In addition to the streams of research outlined above, IHRM researchers have expanded their work into a wide range of other topic areas. For instance, extensive work has been conducted on the management of people in alliances, mergers and acquisitions (Stahl & Mendenhall, 2005). Scholars have also devoted much attention to studying multinational (and often virtual) teams, global leadership development and career issues, performance management, cross-border transfer of knowledge and organizational learning, global outsourcing and organizational culture development – all from an IHRM perspective. And the HR function itself and the roles it plays in the functioning of the MNC have also received increased attention. Finally IHRM scholars have increasingly framed their research in terms of organization theories (cf. Wright & McMahan, 1992). In short, the field of IHRM research has developed into a large, complex and constantly developing field of study.

**Objectives and scope of this handbook**

The work with this *Handbook of Research in International Human Resource Management* was triggered by what we saw as a gap in the IHRM literature. Although several excellent books have been written on IHRM (recent book publications include Briscoe & Schuler, 2004; Dowling & Welch, 2004; Evans, Pucik & Barsoux, 2002; Harzing & Van Ruysseveldt, 2004; Scullion & Linehan, 2005; Sparrow, Brewster & Harris, 2004), their foci and objectives are somewhat different from ours. The present volume is directed to the scholarly community: our intention was to put together a book on IHRM studies that would serve as a guide to existing and future IHRM researchers from all parts of the world. Hence our main target audience is our own colleagues, doctoral students and others interested in IHRM research.

Our goal with this book has been to bring together leading IHRM scholars to provide a comprehensive overview of the field, including emerging topic areas and exciting new research findings that may shape the field of IHRM research in the years to come. The 48 authors of the 29 chapters that form this *Handbook* were encouraged not only to review critically previous research within the scope of their chapters, but also to provide a foundation for and concrete suggestions regarding how, through forthcoming research, we are to further develop our knowledge of important issues in the area of IHRM. The authors are affiliated with academic institutions located in Europe, North America, Africa, Asia and Australia, lending the
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Handbook a truly global flavour. While the authors differ widely in their academic backgrounds, paradigmatic orientations and theoretical and methodological approaches to IHRM, they all share an active interest in augmenting our understanding of people management issues in the global arena.

Before presenting an outline of this book a word of caution about its limitations seems warranted. The study of IHRM is a relatively new area of research, as described earlier in this chapter; it is also a highly dynamic and constantly evolving field, with new themes emerging that transcend traditional approaches. The chapters in this volume provide insights into the latest theoretical thinking and cutting-edge research on IHRM. However, in spite of the many important contributions that have been made, it would be unwise to state that the research efforts described are much more than a first step towards a thorough understanding of the phenomena under investigation. There is a rich research agenda here, and the chapters in this book open up a number of questions and avenues for future studies. However definite answers to the questions raised are unlikely to be found any time soon, because the underlying phenomena are, by their very nature, highly dynamic and complex. Chris Brewster (in this volume) captured some of this complexity when he summarized the convergence–divergence debate and concluded:

The situation is, inevitably, complex. And the evidence can be selected to suit almost any position. . . . [S]ome aspects of industrial societies tend to converge, whilst others diverge, depending upon time and circumstances. . . . An alternative approach would be to consider whether some parts of the overall HR system might be converging, in some regions or geographies, whilst other parts might be diverging. Moreover, since HR operates at multiple levels including philosophy, policy, programme, practice and process . . . there might be convergence at one level but divergence at another, even within one firm, never mind between nations.

IHRM scholars face similar complexities in most other areas of inquiry within this field.

Content and outline of this handbook

IHRM scholars (for example, Dowling & Welch, 2004; Sparrow et al., 2004) have argued that IHRM involves the same activities and dimensions as domestic HRM but operates on a much larger scale, with more complex strategic considerations, more complex coordination and control demands and some additional HR functions. Additional HR functions are considered necessary to accommodate the need for greater operating unit diversity, more external stakeholder influence, higher levels of risk exposure and more personal insight into employees’ lives and family situation.
However others (Bird & Osland, 2004; Lane, Maznevski & Mendenhall, 2004; Prahalad, 1990) have argued that global management – including people management – differs from management in a domestic context not only in degree (broader scope, more complex coordination demands and so on) but also in kind, because the challenges faced by individuals and the organization are qualitatively different from those faced in a domestic context. These demands include increased ambiguity surrounding decisions and related outcomes; wider and more frequent ‘boundary spanning’; a more challenging and expanded list of competing tensions that need to be balanced; a heightened need for cultural understanding; and more challenging ethical dilemmas relating to globalization. As Bird and Osland (2004) put it, ‘the transition from purely domestic to global is a quantum leap’ (p.61). This is particularly true for HRM, and throughout this book we are reminded of the significantly greater challenges faced by global HR functions, compared to the role of HRM in a domestic context.

This *Handbook of Research in International Human Resource Management* is divided into five parts:

I The Role of International Human Resource Management
II Research on Global Staffing, Performance Management and Leadership Development
III Research on International Assignments
IV Research on International Teams, Alliances, Mergers and Acquisitions
V Theoretical Perspectives on International Human Resource Management

The chapters comprising Part I provide the overall context for the rest of the book. The theoretical approaches and empirical studies presented in these chapters explore the role of IHRM from a variety of perspectives. The authors look at the nature of HRM from a comparative perspective and consider the dual logics behind IHRM, namely pressures for global integration and local responsiveness; they explore how IHRM is associated with global knowledge management and organizational learning; and they consider the role of the HR function in global corporations and the link between IHRM and organizational performance. Throughout this part of the book, the authors emphasize the importance of linking IHRM policies and activities to organizational strategy.

The chapters in Part II review research on a variety of global HRM issues related to staffing, performance management, leadership development and diversity management. The emphasis here is on broader HR issues than expatriate management, reflecting how the field of IHRM has
evolved from its early focus on the selection and training of expatriate managers to encompass a much broader spectrum of topics and issues. However international assignment issues still figure prominently in this book, owing to their importance in the global coordination and integration of resources and operations (Evans et al., 2002) and the continuing stream of research on expatriation (Dowling & Welch, 2004; Harzing & Van Ruysseveldt, 2004).

Consequently Part III of the book deals with a variety of international assignment issues, from the perspective of both the individual and the organization. Its five chapters cover activities relating to expatriate management, such as career-pathing, selection, training, support and repatriation of expatriates, as well as other issues deemed critical in managing international assignments. These issues include the antecedents of expatriate adjustment and performance, the challenges confronting women while on international assignments, and dual career issues. The contributors also show why it is important that organizations take a wider view of mobility, including short-term assignments and frequent flying, and examine how the international HR function can manage both the organizational and the personal implications of mobility.

In Part IV of the book, the contributors consider the role that IHRM can play in the management of global teams – be they collocated or virtual – as well as the management of cross-border alliances, mergers and acquisitions: topic areas that have recently received increased research attention thanks to their special relevance to global organizations.

The Handbook concludes with a synopsis of the rich theoretical foundations of and influences on the field of IHRM research. The theoretical perspectives discussed in Part V include the resource-based view of the firm, institutional theory, social network and social capital theory, and economic theories of the firm. In addition, contributors explore IHRM processes and issues from a variety of perspectives, such as fairness and trust, linguistic, gender and feminist perspectives, and apply critical theory to the study of IHRM. These chapters illustrate that IHRM research is theoretically eclectic, drawing upon a range of paradigms and perspectives; and, second, that the field has overcome the theory deficit that was characteristic of the early days of IHRM research.

The chapters in this book address a range of critical issues involved in the management of people in a global context from rich, novel perspectives. Thus this book attempts to act as a catalyst for scholars who work in the field of IHRM by providing them with a wider scope of theoretical understanding regarding the complexity of variables and processes that affect the effectiveness of IHRM policies and practices. It is our hope that this book will spur innovation in both theory and practice in IHRM.
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