1 Introduction

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In the past few decades research on ‘international human resource management’ (IHRM) has continued to grow and mature. For example, the number of publications in top journals directly related to International Business and IHRM grew from 59 between 1990–1996, to 129 between 1997–2003, to 186 between 2004–2010 (Björkman & Welch, 2011). This represents quite a rapid transformation, since André Laurent in 1986 described the field as being in the infancy stage of development (Laurent, 1986). To spur this transformation we note some key milestones within the field. To begin with, in 1991 the International Journal of Human Resource Management was the first journal primarily dedicated to publishing research related to IHRM. Second, a significant number of IHRM articles were published in prestigious management journals like the Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Journal of International Business Studies and Organization Science. Third, the number of conferences and workshops dedicated to IHRM research also increased. Fourth, by the time this book is published, the 12th Conference on International Human Resource Management will be accepting papers for submission. Today, the field is clearly recognized within the community of management scholars.

While growing in size, the field has also expanded in scope. It has shifted from its early focus on the topic areas of top management attitudes and staffing decisions in multinational corporations (MNCs) (Perlmutter, 1969; Edström & Galbraith, 1977) and expatriate adjustment and performance (Tung, 1981; Torbiörn, 1982) to a field characterized by a high degree of diversity, a cross-fertilization of ideas from different disciplines, and ambiguous delineations about what is included in the field and what is not. In this Handbook we define the field of IHRM broadly to cover all the issues related to managing the global workforce and its contribution to firm outcomes. Hence, our definition of IHRM covers a wide range of human resource issues facing MNEs in different parts of their organizations (cf. Ferner, 2009). In addition we include comparative analyses of HRM in different countries.
DEVELOPMENT OF THE FIELD OF IHRM RESEARCH

International human resource management today sits in the middle of the most compelling competitive battleground in business – global workforce talent. The stakes in this competitive battleground are high because human-capital-intensive global services continue to grow; workers are more mobile across borders; the average age in most populations is rapidly increasing; innovations are no longer particular to headquarters; global markets continue to converge; and the strife and conflict that result from this convergence create cultural, political and economic concerns that are focused on employees. To address these emerging issues, international human resource management scholars have made significant strides. Not only has the number of empirical studies increased dramatically, but scholars in this field are also making more theoretical contributions than ever before. The purpose of this Handbook is to provide up-to-date knowledge of the most innovative and interesting research being done today. Our hope is that the book’s content will be valuable to seasoned scholars as well as budding researchers and students trying to better understand today’s issues in managing a global workforce.

Much of the early IHRM research focused on staffing decisions in MNCs. Perlmutter’s seminal article ‘The tortuous evolution of the multinational corporation’ (1969 [in French, 1965) is arguably the first influential article published within IHRM. In this article the author distinguishes among three different attitudes held by MNC headquarter 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 being 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 (Harzing, 2004a; see also Collings & Scullion, this volume). 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 (e.g., Ivancevich, 1969; Miller, 1973; Miller & Cheng, 1978), and the second on the roles that the transfer of people across units played in the management of the MNC (e.g., Heenan, 1970; Franko, 1973), with
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some authors trying to integrate the two research streams (e.g., 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 (the USA, Europe and Japan) selected and trained managers for overseas assignments.

Throughout the 1980s and into the early 1990s much was written about the management of expatriates (e.g., Harvey, 1985; Mendenhall & Oddou, 1985; Black, 1988; Black, Mendenhall, & Oddou, 1991), 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 described 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 the 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 the 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 (Hedlund, 1986; Prahalad & Doz, 1987; Bartlett & Ghoshal, 1989). Researchers who at the turn of the century began studying interpersonal and interunit relationships within MNCs from social network or social capital perspectives (e.g., 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 management practices transfer 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 the cultural
features of the home country of the MNC impacted 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 (e.g., Rosenzweig & Nohria, 1994) and national business system perspectives (e.g., Ferner & Quantanilla, 1998). The potential positive aspects of transferring HRM that has been found to be efficient elsewhere to other parts of the MNC have also received attention in the literature (e.g., Evans, Pucik, & Björkman, 2011; Morris et al., 2009).

Another trend that also 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 dominant ‘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 until scholars based outside of North America as well as researchers doing work on HRM within MNCs became 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 (e.g., Arthur, 1994; Huselid, 1995; Macduffie, 1995), but also to critical reactions towards the alleged and/or proposed trends towards HRM (e.g., 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 (e.g., Brewster, 1995; see also Brewster, this volume).

In this way, the new HRM discourse contributed to reinvigorating 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 small degree been a result of the rise of large Japanese corporations in the 1970s and 1980s, and the rich literature on people management practices found in these corporations (e.g., Boxall, 1995; Pucik, 1984). More recently, research on HRM practices found in foreign affiliates, the increasing reliance on alliances and joint ventures, and the 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 that involve the convergence and divergence of HRM (Brewster, Mayrhofer, & Morley, 2004; see also Brewster, this volume; Brewster and Mayrhofer, 2012).

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 have among others 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., 2011). 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) (Prahalad & Doz, 1987; see also Zhong, Morris, Snell & Wright, 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 research has been conducted on the management of people in alliances, mergers and acquisitions (e.g., see Aguilera, Dencker & Sears, this volume; Pucik et al., 2011). Scholars have also devoted much attention to studying multi-national – and often virtual – teams (e.g., Jackson, Joshi & Erhardt, 2003; see also Maznevski, Jonsen & Canney, this volume), global leadership development and career issues (e.g., Hollenbeck & McCall, 2001; see also Osland, Bird & Mendenhall, this volume), performance management (e.g., see Cascio, this volume; Lawler, 2002), the cross-border transfer of knowledge and organizational learning (e.g., Björkman & Lervik, 2007; see also Sparrow, this volume), global outsourcing, and organizational culture development (e.g., Chatman & Cha, 2003), and all from an IHRM perspective. In addition to this the HR function itself and the roles it plays in the functioning of the MNC have also received increased attention.
Finally, IHRM scholars have not only begun to frame their research in terms of organization theories (cf. Wright & McMahan, 1992), they are also increasingly using the international context to extend existing theories around HRM. For example, De Cieri, Fenwick and Hutchings (2005) considered the use of the HR function to answer questions about the organizational capabilities used to adapt to changes in the global environment. Furthermore, Morris and Snell (2011) recently examined the theoretical implications of a configurational approach to developing organizational capabilities for HR units across borders. This specifically highlighted the issue of capabilities, and focused on the importance of researchers looking inside the HR function to understand how companies developed the capacity to constantly renew HR systems in a way that allowed for local adaptation and global integration.

OBJECTIVES AND SCOPE OF THIS HANDBOOK

As a result of the financial crisis of 2008, scholars have begun to reconsider existing theories around business and management. Perhaps one of the most provocative and impactful fields to reconsider is that of IHRM. The changes in today’s global workforce led us to take stock of recent developments in IHRM. This second edition to the Handbook of International Human Resource Management is intended to provide an up-to-date guide on research that is helping to make sense of a new and shifting environment in IHRM.

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 other 26 chapters that form this Handbook were encouraged not only to critically review previous research within the scope of their chapters, but also to provide a foundation and concrete suggestions for how we, through forthcoming research, are to further develop our knowledge of important issues in the area of IHRM. The authors are affiliated with top academic institutions located in Europe, North America, Africa, Asia, and Australia, lending the Handbook a truly global flavour. While they 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 the global workforce.

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 because
the underlying phenomena are, by their very nature, highly dynamic and complex. This complexity is much greater for IHRM scholars than it is for traditional HRM scholars. Much of the complexity comes from managing a globally differentiated and dispersed workforce. This presents us with questions about how HR should address issues of local culture, global labour pools, institutional forces, expatriates, HQ-subsidiary relationships, and the liability of foreignness.

**CONTENT AND OUTLINE OF THIS HANDBOOK**

Many scholars (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 terms of *degree* (e.g., a broader scope, more complex coordination demands, etc.) 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 second edition of the *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 Talent Development.
III. Research on International Assignments and Global Careers.
IV. Research on International Teams, Alliances, and 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 the pressures for
global integration and local responsiveness; they explore how IHRM is
associated with global knowledge management and organizational learn-
ing; and they consider the role of the HR function in global corporations
and the link between IHRM and organizational performance. Moreover,
they discuss the industrial and employment relations around IHRM poli-
cies. Throughout this part of the book, the authors emphasize the impor-
tance 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, talent management, 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 coord-
ination and integration of resources and operations (Evans et al., 2011)
and the continuing stream of research on expatriation (see Caligiuri &
Tarique, this volume; Takeuchi, 2010; Thomas & Lazarova, this volume).

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
the 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.
Furthermore, the contributors 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 co-located or
virtual – as well as the management of cross-border alliances, mergers and
acquisitions – topic areas that have recently received increased research
attention due to their special relevance to global organizations.

The Handbook concludes with a synopsis of the rich theoretical foun-
dations 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 fair-
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ness and trust, linguistic, and 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 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. In so doing, 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.

REFERENCES


Handbook of research in international human resource management


Introduction


