
1 Comparative human resource management: an introduction

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This is the first book to bring together, systematically, expert researchers studying comparative human resource management (HRM). The need for a comparative book is, we believe, manifest, and the subject is increasingly researched and taught, either as part of a general HRM or international HRM course. This *Handbook of Research on Comparative Human Resource Management* draws on the work of some of the world's leading researchers to present the current state of the art to academic scholars and practitioners.

HRM as a subject for study and teaching was identified and popularised in the United States in the late 1970s and early 1980s, encapsulated in two famous textbooks (Beer et al., 1985; Fombrun et al., 1984). The two books took different approaches, but both differentiated HRM from personnel management (the administration of employment). They argued that the latter involved running, monitoring and controlling the employment systems within the organisation, whilst HRM involved more integration of personnel policies across functions and with the corporate strategy (with HRM being the downstream function); a greater role for line managers; a shift from collective to individual relationships; and an accent on enhancing company performance. In HRM workers are a resource: they 'are to be obtained cheaply, used sparingly and developed and exploited as fully as possible' (Sparrow & Hiltrop, 1994: 7) in the interests of the organisation.

The processes of managing people in a systematic and consistent way with the intention of ensuring their effective contribution to the success of the organisation – in other words: human resource management – utilises the same processes in every case: a workforce has to be recruited, deployed and assessed, trained, paid, all of this within conditions that allow motivation to develop and be sustained. The way that HRM and these processes are thought about and the way that they are practised, however, varies from context to context.

One of the major contexts is the country in which they operate. Because most studies of HRM take place within a single national context, commentators have long been aware of the differences in HRM policies and

practices made by the size of the organisation and the sector (or sectors) in which it operates. More recently, HRM researchers have become aware of the differences in the subject between nations and have argued that this is a matter not only of differences in practice but also in differences in the way that the subject is thought about: its meaning and its purpose. Even if we accept that the purpose of HRM should be improving the performance of the firm, Gerhart has argued, 'it seems unlikely that one set of HRM practices will work equally well no matter what the context' (Gerhart, 2005: 178).

Much of the new thinking and innovation in HRM continues to come from the USA, the origin of the concept. Originating from the United States, concepts and ideas about HRM have followed the 'Gulf Stream . . . drifting in from the USA and hitting the UK first, then crossing the Benelux countries . . . and Germany and France and proceeding finally to southern Europe' (DeFidelto & Slater, 2001: 281). And then, usually later, to the rest of the world. The hegemony of the US model is such that many universities and business schools as well as consultancies around the world use US teaching materials, US teaching methods and US textbooks and case studies, more or less ignoring HRM in the local environment around them. Like many others, we believe this is an error. HRM does not operate the same way in every country. The idea that human resource management varies around the world is by no means new, but much HRM commentary either ignores that fact or assumes that countries that do HRM differently are 'lagging behind'. Human Resource Management of the 'best practice' variety may not even be that common in the United States, but it looks and feels very different elsewhere in the world.

Against the backdrop of contextual differences and the more dynamic view of changes over time, comparative HRM is concerned with understanding and explaining differences between contexts as constituted by countries and analysing how much changes over time, in particular through the process of globalisation, leading to a harmonisation of HRM across the world, and how far countries retain their distinctive national flavour.

In the view of Clark et al. (1999), 20 years of research into international and comparative HRM left the subject 'running on the spot'. The problems include the lack of conceptual analysis of the topic and limited coverage of various parts of the world. In the years since then there have been significant attempts to remedy this situation and the time is now right to summarise those attempts and perhaps to stimulate others to move from running on the spot to making real progress.

This chapter introduces both the subject of comparative HRM and this

Handbook. We attempt to identify the establishment of the subject and its boundaries; we explore levels of analysis of comparative HRM; perspectives for studying it; and we address the issue of whether globalisation is making such an analysis increasingly irrelevant as societies converge. Then we outline the shape and content of the book. We note some theoretical and empirical issues in comparative HRM, the way that these affect particular elements of HRM and the way that different regions think differently about the topic: a framework for the *Handbook*.

THE ESTABLISHMENT OF COMPARATIVE HRM AND ITS BOUNDARIES

The classic texts marking the origin of HRM identified, respectively, four (employee influence, human resource flow, reward systems and work systems in Beer et al., 1984) or five (selection, performance, appraisal, rewards and development in Fombrun et al., 1984) areas which can be used to analyse HRM. The unstated implication was that these areas can be used in any organisation, anywhere in the world. Most universities and business schools tend to teach a very similar version of HRM to that outlined in the famous books.

In reality there has been little agreement about the meaning of the term 'human resource management'. We are not the first to note the confusion surrounding the concept (see, as early examples, Boxall, 1992; Goss, 1994; Guest, 1990; Storey, 1992). Conceptually, a range of definitions of human resource management is possible: from an almost etymological analysis at one end to a clearly normative perspective at the other. Within this range two broad categories can be discerned:

- HRM as a subject area, exploring processes by which an organisation deals with the labour it needs to perform its functions and encompassing, therefore, traditional definitions of personnel management (including manpower planning, resourcing, training and development, etc. and, importantly for us here, industrial relations) and also subcontracting, outsourcing and similar arrangements for utilising human resources even when not employed within the organisation.
- HRM as a contribution to organisational (usually business) effectiveness. In many cases this usage has defined itself as strategic HRM (see e.g. Armstrong, 2008; Boxall & Purcell, 2008; Brewster et al., 2011; Hendry & Pettigrew, 1990; Schuler, 1992; Schuler & Jackson, 2007; Torrington et al., 2008).

Whereas the first kind of focus concentrates upon identifying and studying either the whole relationship between people at work and their organisations or a particular aspect of it, the latter one is focused on the activities of management and the practices that management can adopt to improve efficiency and effectiveness. Arguably, a contributory reason for these different approaches to the topic are similar to the basic argument of comparative HRM: it is perhaps little wonder that researchers, based in a different institutional and cultural context, with different historical antecedents of research perspectives and different practical problems to explain, have different views of what is central to the topic.

The developing stream of work in comparative HRM has its roots in different traditions: the industrial relations tradition, the growth of international business as a fact and a subject of study, and the equally fast-growing topic of international HRM.

There has been an input from the industrial relations tradition. In Europe and Australasia, particularly, many of the earlier researchers and teachers in human resource management moved into the field from industrial relations studies. Industrial relations vary markedly from country to country and this has traditionally been an area of study much concerned with nationally comparative issues, for example: Why is union membership so much higher in some countries than in others? Why do different consultation structures apply in different countries? The embeddedness of industrial relations in its national context was a given, so it was natural for the specialists who moved across from that field to take a more comparative view of the closely linked subject of human resource management.

The study of various aspects of the management of multinational corporations (MNCs; see, for example, Rugman & Collinson, 2008; Shenkar & Luo, 2008) concentrated on the advantages conferred by operating across countries. Differences between countries were either an inevitable background or regarded as an additional difficulty for MNCs wanting to benefit from doing business across national borders. There was also an assumption that MNCs invariably created change – and convergence, often assumed to be to an American model – in the host countries of their subsidiaries. This thinking has developed considerably in recent years and the literature has become much more aware of national differences.

The international HRM tradition of research has been summarised as having three distinct streams of discussion (Dowling, 1999): one considers individuals working abroad and more recently other forms of working such as self-initiated stays abroad (see, for example, Benson & Marshall, 2008; Dickmann et al., 2008b; Haslberger & Brewster, 2009; Jokinen et

al., 2008; Mayrhofer et al., 2007; Takeuchi et al., 2005); a second stream looking at various aspects of HRM in companies operating across national borders, specifically the HRM problems of MNCs (for an excellent summary of the latest research position in that stream, see Stahl & Björkman, 2011); and a third stream of research analysing HRM in the light of national, cultural and regional differences – comparative HRM.

Comparative HRM now has a firmly established place within HRM (see, for example, the contributions on comparative HRM in overview works on HRM/international HRM such as Collings & Wood, 2009; Harzing & Pinnington, 2011; Sparrow, 2009). Starting in the 1990s, early works described the differences between societies and explored the theoretical foundations of the subject (e.g. Begin, 1992; Boxall, 1995; Brewster & Tyson, 1991; Hegewisch & Brewster, 1993). Since then the balance of the discussion has changed from a primarily descriptive perspective to a more explanatory angle looking into ‘why’ and ‘how’, i.e. the reasons for and the processes leading to commonalities and differences in HRM between different countries and cultures, in particular also looking at developments over time (Brewster et al., 2004; Mayrhofer et al., 2011a). Some of the theoretical underpinnings and conceptual approaches to the topic are summarised in later chapters of this handbook. An increased knowledge about the specifics of management across borders, including knowledge of how human resource management issues are handled in various countries (Dickmann et al., 2008a), has become a prominent issue for social scientists as it has become a key issue for all kinds of managers.

LEVELS OF ANALYSIS OF HRM

Many of the seminal management and HRM texts are written as if the analysis applies at all levels, something one can call ‘false universalism’ (Rose, 1991). This is a major problem in relation to the literature from the United States. The cultural hegemony of US teaching and publishing, particularly in the leading US and ‘international’ journals, means that these texts are often utilised by readers and students in other countries. US-based literature searches, now all done on computers, of course, tend to privilege texts in English and texts in the US-based journals and texts in the universalist tradition (Brewster, 1999a, b). For analysts and practitioners elsewhere with interests in different sectors, countries and so on, many of these descriptions and prescriptions fail to meet their reality and a more context sensitive analysis is necessary.

Comparative HRM strives to provide such analyses. In its simplest

form, HRM in two different countries is compared and contrasted at a merely descriptive level. In a broader sense the criteria for comparison, derived from theoretical reasoning or closely linked to observable phenomena, go far beyond that to explore clusters of countries, or to challenge the national boundaries concept. Cultural groups do not always coincide with national borders. Hence studies such as that by Dewettinck et al. (2004) who compare the way people are managed in the Walloon and Flemish parts of Belgium (with France and the Netherlands) would be claimed as comparative HRM texts. While basically using comparative in this broad sense, the majority of comparative HRM contributions do deal with differences across nations, culture clusters and world regions.

When looking at HRM from a comparative angle, a key question concerns the levels of HRM (Kochan et al., 1992; Locke et al., 1995). It implies decisions on how to conceive of the differences in HRM systems and approaches and then choosing an appropriate perspective. A telescope analogy has been proposed as useful in this context (Brewster, 1995). Changing the focus on a telescope provides the viewer with ever more detail and the ability to distinguish ever-finer differences within the big picture than can be seen with the naked eye. None of the chosen perspectives are wrong or inaccurate, but some are more useful for some purposes than for others. HRM can be conceived of in this way. In HRM there are universals, for example, the need for organisations to attract, deploy, assess, train and pay workers; there are some things that are shared within regions; some that are distinctive for certain nations; some that are unique to certain sectors; in many ways each organisation or even each section of an organisation is different; and there are some factors that are unique to each individual manager and employee. Each perspective sharpens the focus on some aspects but, inevitably, blurs others. The many (within country) studies that (accurately) find differences between sectors within a country, for example, have been extended to studies of particular sectors across countries with the implicit (but inaccurate) assumption that there will be more differences between the sectors than between the countries. Hence, when discussing comparative HRM it is important to take into account the chosen perspective and to be aware of the missing complexity. Many commentators either state, or imply by omission, that their analysis is universal. Comparative HRM challenges that view.

This book adopts a mid-level position, concentrating upon comparative HRM at the country and country cluster level. As with the telescope metaphor, this picture is no more nor less accurate than the others: it just helps us to understand some things more clearly.

CONVERGENCE AND DIVERGENCE

Given that there are differences between countries and regions at this level, one intriguing area of research explores whether the process of globalisation – so significant in other subjects – applies to comparative HRM. The globalisation literature has even argued that the increasing political importance of supra-national bodies such as the EU, global efforts to reduce trade barriers and the burgeoning power of MNCs heralds the end of nation states (Ohmae, 1995).

Catchwords exemplify this, for example, the global village where political, time-related and geographical boundaries have little importance (McLuhan & Powers, 1989), the McDonaldisation of society, where the fast-food chain serves as a unifying role model for a form of rationalisation spreading globally and permeating all realms of day-to-day interaction and personal identity (Ritzer, 1993), or the flat world where Friedman (Friedman, 2007b) argues that technology is making the world increasingly homogeneous.

In the subject of our attention, are countries in fact becoming more alike in the way that they think about and practice HRM so that the differences between them will be of diminishing importance? Are the differences static or, more sensibly and assuming that no social systems will remain completely static, what is the direction of movement – or are different units of analysis (aspects of HRM, for example, or policy and practice) heading in different directions, are they becoming more or less alike? Contributions to answering these questions – often labelled within the frame of convergence and divergence – come from theoretical, methodological and empirical sources.

Much attention has been focused on how MNCs are changing local HRM practices by importing successful practices across national borders. In the general management literature there have been clear voices raised in favour of the globalisation thesis (Friedman, 2007a; Kidger, 1991). Galbraith contended that modern man's 'area of decision is, in fact, exceedingly small' and that 'the imperatives of organization, technology and planning operate similarly, and . . . to a broadly similar result, on all societies' (1967: 336). Likewise, Kerr et al. (1960) postulated that the logics of industrialisation produce common values, beliefs and systems of organisation despite different ideologies, politics and cultures. Management consultancies, business schools, and professional bodies tend to favour the 'one best way' (usually the US way, Smith & Meiksins, 1995) leading to a convergence of rhetoric at least. MNCs are a key channel for such diffusion practices, attempting to enforce common policies, usually headquarters policies, across their systems and often enforcing even the language in

which employees communicate (e.g. Björkman & Piekkari, 2009; Freely & Harzing, 2003; Piekkari, 2006). Recent research (Farndale et al., 2008) finds that whilst MNC subsidiaries do on average manage their human resources differently from other organisations in the same country, they are not very different.

There have also been voices arguing that for both institutional (Amable, 2003; Hall & Soskice, 2001; Whitley, 1999) and cultural reasons (Hofstede, 1980; House et al., 2004) convergence is unlikely. There are also arguments that emphasise the simultaneous occurrence of both converging and diverging trends (Crouch & Streeck, 1997; Inkeles, 1998).

These arguments can be applied to human resource management too. Questions concern whether the actions of MNCs reduce national differences in HRM and the balance between the extent to which foreign organisations bring new practices into a country compared to the extent to which they adjust to local practices (Quintanilla & Ferner, 2003). It has been argued that this will vary with a number of factors, most importantly with: the kind of business system or market economy the MNC operates in; the country of origin of the MNCs; the type of organisation, i.e. foreign-owned MNCs, domestic-owned MNCs and domestic organisations; and with the impact of context on MNCs operating under these different conditions (Almond & Ferner, 2006; Farndale et al., 2008; Gooderham et al., 1999). So the question of convergence of HRM practices is a live one.

From a methodological perspective, it is essential to have a clear understanding about what convergence and divergence actually mean. Some studies have claimed to find convergence from a single point in time analysis (e.g. Chen et al., 2005). Clearly, what they have found are similarities, but not convergence, which requires a coming together over time.

To be clearer about this, two major forms of convergence have been suggested (Mayrhofer et al., 2002). Final convergence exists when units of analysis are becoming more alike, i.e. they share a development towards a common end point, implying a decrease in differences between countries. Of course, this does not imply that this endpoint of total similarity will ever be reached. Directional convergence countries share the same trend, i.e. they go in the same direction, regardless of their initial starting level and any common endpoint.

From an empirical perspective, hard evidence of long-term development in HRM is scarce. Arguably the best data in this area stems from Cranet, a research network dedicated to a trend study about developments in the area of HRM in public and private organisations with more than 200 employees. Since 1989 there have been seven survey-rounds in currently more than 50 countries worldwide, with an emphasis on Europe (see Brewster & Hegewisch, 1994; Brewster et al., 2000). Detailed evidence is

available for developments in Europe (see the overview in Brewster et al., 2004, and a more detailed analysis in Mayrhofer et al., 2011b). Results from a rigorous statistical analysis of the data show that in Europe many aspects of HRM show directional convergence, i.e. the trends are the same. Thus, there are increases in most countries most of the time in such issues as the professionalisation of the HRM function, the use of more sophisticated recruitment and selection systems, the use of contingent rewards and the extent of communication with employees. However, contrary to the received wisdom in the universalistic texts, there is no sign of common trends in the size of the HRM department (see also Brewster et al., 2006) nor in training and development, which is given high priority in many countries but seems to remain the first area for cuts when finances become tight. The evidence is summarised as follows: 'from a directional convergence point of view, there seems to be a positive indication of convergence. However, when one looks at the question from a final convergence point of view, the answer is no longer a clear positive. None of the HRM practices converge' (Mayrhofer et al., 2004: 432).

It seems clear that the evidence supports those who would argue, for various reasons, that globalisation might not be taking place in the clear, straightforward way of 'making things more similar'. Hence, the broader issue of factors explaining similarities and differences between HRM in different countries and their development becomes crucial and constitutes a core element of comparative HRM.

UNITS OF ANALYSIS

Comparative HRM research usually focuses on individual and collective actors of various kinds as well as the respective structures and processes linked with these actors, all of them in different countries, cultures or regions (Brewster & Mayrhofer, 2009). The degree of social complexity constitutes a useful main differentiation criterion in order to group these actors according to different analytical levels. Actors are characterised by low social complexity if the emerging social relationships within these actors are either non-existent as in the case of individuals or have comparatively little complexity, e.g. in face-to-face groups. However, collective actors such as countries or supra-national units show high social complexity. A complex fabric of social relationships constitutes their internal environment.

Looking back to the early 1990s, an analysis of published comparative HRM research reveals that country-, organisation- and individual-level analyses dominate the scene. Reflecting the view of Clark et al. 10 years

earlier, extensive research in peer-reviewed articles published in the years from 1990 to 2005 (Mayrhofer & Reichel, 2009) showed that comparative HRM was typically empirical rather than conceptual; focused on country, organisation or individual as the primary units of analysis; used cross-sectional 'snapshot' rather than longitudinal, i.e. panel or trend study, designs; and focused on comparison of one or more sets of HRM practices, e.g. recruitment procedures, and/or HRM configuration such as strategic orientation or size of the HRM department rather than the link between HRM and some kind of output like satisfaction, performance or commitment. Overall, early comparative HRM research put an emphasis on actors and respective processes and structures at a low to medium level of social complexity. Typical blind spots were networks of organisations and supra-national actors. Moreover the research tended to be focused on a very limited number of countries and regions of the world. More recent work has attempted to address some of these issues as we note below.

How has the research been changing to meet such critiques? We argue that there are three areas where we can see developments. There has been progress in understanding the theoretical and methodological frameworks that can be applied to comparative HRM; in exploring different tasks and themes in HRM from a comparative viewpoint; and in the range of countries and regions about which we have information on the way that they understand and practice HRM. These three areas form the main sections of this book.

OUTLINE OF THE BOOK

Part I: Theoretical and Conceptual Issues

The first section of the book contains chapters that examine some of the theoretical and conceptual issues, and some of the research problems, that arise in comparative HRM. In itself we believe that this is somewhat unusual – perhaps unique – and a distinguishing feature of the book. We are aware, of course, that size limitations, and the perspective of the editors, mean that it is impossible to cover all such issues, but we believe that this first attempt to bring such issues together provides the reader with a good starting point for anyone doing research in the field.

At the more general socio-economic level, there are **institutional explanations** for national differences. An interest in comparative capitalisms (Deeg & Jackson, 2008) was sparked by the fall of the Berlin Wall and the realisation that the Central and Eastern European states had not one but different models that they could follow. Some of these (for example,

Hall & Soskice, 2001; and, specifically in HRM, Gooderham et al., 1999) have been one-dimensional and limited to simple dichotomies, contrasting Anglo-Saxon style free-market capitalism with varieties where there is greater state intervention and co-ordinated markets. However, there have also been analyses (Amable, 2003; Hollingsworth & Boyer, 1997; Whitley, 1999) that develop a more nuanced version, noting the differences in Japanese management, or between the Nordic countries and those of southern Europe. More recently these insights have been extended to human resource management specifically (Brookes, Brewster, & Wood, 2005; Farndale et al., 2008; Goergen et al., 2009a, b; Tregaskis & Brewster, 2006; Wood et al., 2009). Chapter 2 by Geoffrey Wood, Alexandros Psychogios, Leslie T. Szamosi and David G. Collings explores these issues.

But institutional variations are not the only explanator: are differences between nations sustained 'because a wider formal system of laws, agreements, standards and codes exist[s]' . . . or because 'people find it repulsive, unethical or unappealing to do otherwise' (Sorge, 2004: 118)? In other words (Brewster, 2004), is the explanation institutional or cultural? The literature on culture is focused on the values that people have and the relationships between them. It would be extraordinary if this did not impact on human resource management and **cultural differences and their link to HRM** are addressed in detail in Chapter 3 in this volume by B. Sebastian Reiche, Yih-teen Lee and Javier Quintanilla.

Chapter 4 by Tuomo Peltonen and Eero Vaara explores a **more critical approach** to HRM and comparative HRM, arguing that HRM has been bedevilled by a series of assumptions based around a US neo-liberal paradigm that has either ignored or hidden key issues like conflicts of interest and power relationships. They argue that the challenges to such approaches implicit in the notion of comparative, nationally embedded HRM, would be strengthened by a closer relationship with theories that already tangentially, at least, discuss these debates: global labour process theory, postcolonial analysis and transnational feminism.

The next chapter focuses on some of the methodological issues in comparative HRM research. Chapter 5 is a closely argued analysis by Ingo Weller and Barry Gerhart of some of the difficulties inherent in analysing and understanding the large-scale surveys that have been used in comparative HRM research. Using the example of Hofstede's cultural studies, they show how care needs to be taken in interpreting the results of such studies.

Part II: HRM Tasks and Themes

The second section of the book, which though perhaps not unique is also unusual, examines tasks and themes in HRM from a comparative

perspective. Again, it has not been possible to cover all the topics in HRM: although we hope that our contributors have covered most of the major aspects of HRM, any swift perusal of a standard textbook will show up issues we have not been able to address. Nevertheless we believe that the selection of issues here does cover the main subjects that are either debated in the literature or the subject of interest of practitioners.

In Chapter 6 Irene Nikandrou and Leda Panayotopoulou examine **recruitment and selection**. They summarise the current state of knowledge on the topic and then show how the cultural and institutional variations mean that the processes are likely to be different in different territories, with all the complexity that adds to organisations recruiting and selecting employees across the world.

Chapter 7 investigates the critical issue of **pay and rewards**. This is examined by Marion Festing, Allen D. Engle Sr., Peter J. Dowling and Ihar Sahakiants, who explore the impact of national context. Noting the dearth in detailed comparative studies and drawing on figures made available by Hewitt Associates, they focus on differences in approaches to compensation in different countries; how these differences can be explained; and they revisit the standardisation/differentiation debate for MNCs.

Chapter 8, written by Olga Tregaskis and Noreen Heraty, takes a comparative perspective on **training and development**. Drawing on an institutional approach, and recognising sectoral differences within that, but also noting the countervailing importance of the country of origin of MNCs, they examine the variety of national institutions that create the learning and innovation systems and climate within particular states.

Management development is a particularly important aspect of training and development and Chapter 9, by Chris Mabey and Matias Ramírez, takes a closer look at the subject. They note the importance of management development both to national success and the success of individual organisations, and explore and explain the ways that different countries, primarily in Europe and South East Asia, have addressed the issue. The authors make a plea for a more theoretically informed and sophisticated analysis at the meso-level, and suggest that knowledge exchange theories, and the notion of social capital, may help us to understand the subtle dimensions of management development in comparative analysis.

Chapter 10, by Werner Nienhüser and Chris Warhurst, explores the topic of **employment relations**. As noted above there is a long tradition of socially embedded studies in what is often seen as an important aspect of HRM. The authors use that to build a challenging and critical account of the topic of employment relations, calling for more research and, notably for us here, more international research.

Subsequent chapters in this section cover some of the current themes in HRM. Once again, the editors had to make some choices about what we felt were relevant themes that had been subjected to enough comparative research to provide material for a chapter. We are conscious that good researchers are always committed to their own area of interest and some will be disappointed by our selection, but the themes chosen here provide a valuable insight into the current state of research and a useful starting point for examining the comparative aspects of these areas.

Chapter 11, by Julia Brandl, Ina Ehnert and Anna Nehles explores the shape of the **human resources department** itself and its relationship with line management. They apply a series of different conceptual templates to the subject and show how researchers have looked at the topic through different lenses. They argue that contingency theory, cultural, institutional approaches and paradox/duality theory all provide useful ways into the topic and look for more research in the area.

In Chapter 12 Paul Sparrow considers a fundamental building block of the human resource management relationship, the **employees' contracts** (legal and psychological). Noting the range of elements and their meanings across national contexts, and using detailed research findings on issues such as hours worked and the effects on productivity, he draws the message that there is value in applying more than one type of analysis to this superficially simple but deeply complex area if the national variations are to be understood.

Chapter 13 by Mila Lazarova, Françoise Dany and Wolfgang Mayrhofer examines the issue of **careers**, an area where there has been much research and a serious attempt to explore the topic cross-nationally. They outline the individual and organisational perspectives on careers and review the cross-national research that there has been to date. They also provide intriguing insights from two large-scale research projects. Nevertheless, like so many of the chapters in this book, coming as it does at an early stage of the development of comparative HRM they conclude that the field has much to gain from further cross-national research efforts.

Chapter 14 explores the elusive topic of **flexible working practices** and is by Maria C. Gonzalez and Phil Almond. They focus particularly on functional flexibility. Unlike Paul Sparrow in chapter 12, they focus on internal flexibility within the firm in developed societies. They point to a tradition of cross-national research in the area and, drawing on comparative research using both the qualitative and quantitative methodologies. They conclude that skills, power, demand and (enterprise and national) cultures influence the extent and kind of flexibility on offer.

Chapter 15 is written by Andrew Pendleton and Erik Poutsma, two scholars who have conducted a series of research programmes in Europe

on the subject of the chapter, **financial participation**. They explore the antecedents and the incidence of profit sharing and a variety of forms of employee share ownership: why are they so different between countries? They give some detailed analysis of the embeddedness of financial participation in a number of developed countries. They conclude that that legislative and fiscal frameworks account for much of the variation but go on to ask the deeper question of what lies behind those differences.

Financial participation has some resonances with the subject of Chapter 16, **performance management**. Paul Boselie, Elaine Fandale and Jaap Paauwe draw on some of their own research to argue that this popular and topical subject is worthy of definitional and conceptual analysis as well as the prescriptive approach that is so often taken. They show the development of the subject over time and argue that there are international trends in the way it is being used. They conclude that although differences in the meaning and use of performance management can be distinguished between countries, this is one area of HRM where a clear trend and perhaps final convergence are visible.

In Chapter 17, which reviews the subject of **diversity**, Alain Klarsfeld, Gwendolyn M. Combs, Lourdes Susaeta and María Jesús Belizón Cebada show how this sometimes controversial topic has been differently understood, applied to different groups within the workforce and managed very differently in different national contexts. The authors run quickly through the history of diversity management and its development through legislative provision. They examine the range and depth of legislation in detail and show how different clusters of countries have adopted separate approaches. Finally, they examine the effects of such legislation and management action and show that where managements have embraced the topic it has had a positive effect for both the organisations and the individuals employed.

Chapter 18 explores the issue of **e-HRM**, the relatively new packages being offered by a number of organisations to employers to allow them to manage significant aspects of their HRM electronically. Huub J. M. Ruël and Tanya Bondarouk draw on their own research as well as that of others to show how this fairly new field is one that has been relatively well-served by researchers. The impact of e-HRM, particularly in larger organisations, may be only just becoming apparent. The likelihood is that its impact will be ever more strongly felt and that there will be an ever larger divide between electronic and non-electronic HRM, within organisations as much as between them. Pointing out that e-HRM research has largely ignored the cross-national element, these authors develop a model approach to such research requirements.

Part III: Regional Perspectives

The third section of the *Handbook* examines regional perspectives and provides, we believe, the widest coverage of any book available. Both the institutional literature and the cultural literature have developed clusters of countries that have obvious implications for HRM. The varieties of capitalism literature explored in Chapter 2 has different categorisations, dividing Europe into more categories and leaving much of the rest of the world apart from the Anglo-Saxon states and Japan and Korea untouched. The cross-cultural literature explored in Chapter 3 has a rather different, and often more comprehensive, but still partial, categorisation. More specifically, attempts have been made to examine comparative HRM in particular regions (see, for example, Brewster et al., 2004; Brewster et al., 1992; or even in sub-regions, e.g. Brewster & Larsen, 2000).

Inevitably, our ambition to cover the world has not been fully realised; there are countries missing. Even so, trying to do so has forced our contributors to generalise and to combine insights and data on countries that could have been, in a different context, described and analysed separately. We wish that there had been space to do otherwise, because this inevitably means that individual countries are subject to broad statements that do not capture the full complexity of their situation and the differences between them. Yet, we believe that the gains from having this unique global coverage outweigh those concerns.

There are many categorisations of regions: the International Labour Office, for example, (ILO Employment Development Report, 2007) divided the world into: Developed Economies and European Union; Central and Eastern Europe (non-EU) and Commonwealth of Independent States (CIS); East Asia; South-East Asia and the Pacific; South Asia; Latin America and the Caribbean; Middle East and North Africa; sub-Saharan Africa. In this book we have taken a broadly geographical focus, linking adjacent countries (though with a few exceptions), with the intention of covering as much of the world as possible.

We have asked our contributors, in each case the chapter is written by an individual from or a team including people from that region, to focus on what makes the ways of thinking about HRM in their region unique rather than just showing ways in which practices differ. Some of them have, perhaps, found this easier than others. It depends on authors, of course, but there does seem to be an indication that those regions culturally furthest from the US model find it easier to show how in, for example, China or Japan what serves the shareholders best in the short-term is not necessarily seen as good HRM; there is greater on-going responsibility for employees and their families as a key element of HRM.

Chapter 19 by Susan E. Jackson, Randall S. Schuler, Dave Lepak and Ibraiz Tarique starts the examination of regions by considering HRM in **North America** – the land where the subject began. They explore current HRM issues on that continent such as competence and values or the enhanced role of shareholders in relation to other stakeholders and suggest the need for an integrative framework to understand developments there. They emphasise recent developments such as employee privacy, workplace diversity, performance management and individual performance based pay

In Chapter 20 Anabella Davila and Marta Elvira consider the southern parts of the Americas and show how differently HRM is conceived of and practiced there. They emphasise the importance of a wider view of stakeholder analysis for understanding human resource management in **Latin America**. They draw some fascinating examples of how this would work from the existing literature and note the importance of the voices of those not normally heard in these countries.

In Chapter 21 Christine Bischoff and Geoffrey Wood also try to summarise HRM across most of a whole continent: in this case **sub-Saharan Africa**. Attempting to establish a business systems model for the region, they note the gap between the extensive laws and the capacity for individuals or unions to enforce them, the prevalence of short-termism and the way that the autocratic, low-skilled African model is ameliorated by paternalism. They make a plea for more work in what is generally a 'blind spot' in comparative HRM research.

The rest of **north Africa and the Middle East** are examined in Chapter 22 by Pawan Budhwar and Kamel Mellahi. Again, they point to the paucity of research into HRM in the region and the difficulty of access to reliable information. They stress the importance of Islam but also caution against under-estimating the diversity within the region. The problems of unemployment and a growing population will be handled more easily in some countries than in others.

In Chapter 23 Wolfgang Mayrhofer, Chris Brewster and Paul Sparrow explore the varied countries of **Europe**, arguing that HRM research in that continent often takes a wider and more critical view than is common elsewhere. A stakeholder perspective is more common than a shareholder one and governments, and the supra-national government of the European Union, are more likely to be involved in and to constrain or support HRM. Examples of the type and range of practices in different European countries are given to illustrate the arguments.

On the borders of Europe lie **Russia and the Transition States**, those countries that used to be part of the Union of Soviet Socialist Republics. HRM in that context is explored in Chapter 24 by Michael J. Morley,

Dana Minbaeva and Snejjina Michailova. One key question focuses on the extent to which Western-dominated theories and practices are applicable to Central and Eastern Europe (CEE) and Former Soviet Union (FSU) countries and whether we see a unique regional approach to HRM emerging or whether there is evidence of a hybrid system, combining western and regional elements. The authors provide empirical evidence from a broad range of sources, showing idiosyncratic elements of HRM in CEE and FSU as well as common characteristics.

Chapter 25 examines HRM in the **Indian subcontinent**. Written by Pawan Budhwar, and Arup Varma, the chapter points out the importance of the geographical and socio-economic context, noting particularly the issues of emigration and economic liberalisation. On the basis of a review of the relevant literature they conclude that the region faces issues of coping with diversity and with rapid change. In the circumstances it is not surprising that the forms of HRM in the region are still developing.

Chapter 26, by Ngan Collins, Ying Zhu and Malcolm Warner, examines three other Asian countries – the **Asian communist states** of the People's Republic of China, Viet Nam and North Korea, a group of countries that might be said to span the full range of economic success. These countries are in transition with on-going reforms, though the authors except little-researched North Korea from this. This is a region of low wages, though that is changing fast in China. Unlike most other chapters this one includes a section on the governmental perspective and the role of government, in negotiation with enterprises, is emphasised throughout.

Chapter 27 is by Philippe Debroux, Wes Harry, Hayashi Shigeaki, Huang Heh Jason, Keith Jackson and Kiyomiya Toru and considers the view of HRM in the countries that were the first **Asian success stories**: Japan, Taiwan and South Korea. They show the importance of history and the fact that the late development of capitalism in these countries gave them some advantages. They also show, through careful analysis of each country in turn, how the culture of these countries and their considerable work ethic contributed to their success. Finally, they outline some of the challenges that these countries face.

The last word, in Chapter 28, the final chapter, is given to Peter Boxall and Steve Frenkel, who outline HRM in **Australia and New Zealand**. Drawing on their own research as well as that of others they outline the nature of HRM in the Antipodes and the distinctions between the two countries. They emphasis the way that the region fits into the Anglo-Saxon HRM paradigm, though there is a larger focus here on industrial relations issues and controversies over employment legislation than is found in most other regions.

CONCLUSIONS

Overall, research in comparative HRM shows that beyond some universals, there are substantial differences in the meaning and practice of HRM in different countries. There are clear regional differences between, say, the patterns of contingent employment, anti-unionism and the role of the HRM department in the United States, Japan and Europe. And, going back to the focus-pulling analogy of the telescope, within each regional bloc different sub-regional patterns can be distinguished, reflecting the wider discussion about business systems and varieties of capitalism. Below the sub-regional level there is clearly in existence a set of broad, relatively inert distinctions between the various national contexts of human resource management that makes any universalistic models problematic. The idiosyncratic national institutional settings are so variable that no common model is likely to emerge for the foreseeable future. Any discussion of issues of comparative HRM must necessarily, therefore, be equivocal: it will require more careful nuance than has been the case in much of the writing about HRM.

Comparative HRM is inevitably a complex subject. A full understanding requires drawing on a wide range of possible explanators. The current state of theory and its capacity to analyse important questions of comparative HRM is perhaps the key unresolved issue characterising existing comparative HRM research. So far, the theoretical efforts are not coherent and only partly able to explain observed differences and commonalities. Whilst it may be unsatisfactory for the field of comparative HRM research – and, indeed, we would argue, for much of management and cross-cultural research – to have so many different explanations of the commonalities and differences in HRM between countries, cultures and regions, it is almost certainly too ambitious to call for a meta-theory uniting the differing perspectives.

Comparative HRM research challenges the ‘one best way’ prescriptions so widely propounded, and requires the rethinking of many theoretical approaches to HRM. In turn, that has important implications for practitioners. The growth in the number, reach and power of MNCs means that they play a central role in the globalisation process (Meyer, 2000). In international human resource management the standardisation/differentiation dilemma of MNCs is well understood (see, for example, Brewster, 2002; Sparrow et al., 2004; Stahl & Björkman, 2011). Whilst there may be some signs of convergence, the differences in meaning, policies and practices around the world remain strong. Increasingly, we will find it difficult to understand either international or comparative HRM as separate topics. Some understanding of each is needed in order to understand the other.

HRM is the managerial function that most specifically depends on the

respective institutional arrangements and other factors closely linked to the nation state (Rosenzweig & Nohria, 1994). Unlike other production factors, such as finance, which, though not independent of national legislative and other institutional influences are arguably much more open to global developments, human resources are prone to local variation. The management of people is open to soft factors such as national culture, societal values or local traditions as well as hard factors such as labour market regimes, legal regulations or demographic patterns.

Managers in each country operate within a national institutional context and a shared set of cultural assumptions. Neither institutions nor cultures change quickly and rarely in ways that are the same as other countries. It follows that managers within one country behave in a way that is noticeably different from managers in other countries. More importantly, change is path-dependent and organisations are to an extent locked into their respective national institutional settings. Hence, even when change does occur it can be understood only in relation to the specific social context in which it occurs (Maurice et al., 1986). Even superficially universal principles, such as profit or efficiency, may be interpreted differently in different countries (Hofstede et al., 2002).

There are increasing numbers of researchers excited by the field of comparative Human Resource Management and increasing amounts of work being done in the area. That inevitably means increasing debates about meaning and outcomes. We look forward to the expansion of these debates in the years to come.

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Comparative Human Resource Management, on the other hand, is a systematic method of investigation that seeks to explain the patterns and variations encountered in cross-national HRM rather than simply describe HRM institutions and practices in different societies. Different national business systems arise from differences in specific historical, cultural and institutional heritage in certain countries. Comparative differences occur due to decisive historical events such as the process of industrialization or due to the legacy of pre-modern forms of social organisation. Hofstede adopted the term Human resource management (HRM or HR) is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives. Human resource management is primarily concerned with the management of people within organizations, focusing on policies and systems. HR departments are responsible for overseeing employee-benefits design Human resource management (HRM or HR) is essentially the management of human resources. It is a function in organizations designed to maximize employee performance in service of an employer's strategic objectives. HR is primarily concerned with the management of people within organizations, focusing on policies and on systems. HR departments in organizations typically undertake a number of activities, including employee benefits design, employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR also concerns itself with o