

Contextual Approaches to Human Resource Management: An Introduction

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The Oxford Handbook of Contextual Approaches to Human Resource Management

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Abstract and Keywords

This introductory chapter explains the origins of *The Oxford Handbook of Contextual Approaches to Human Resource Management* and outlines some of the underlying motivations for its development. In order to set the scene, the chapter discusses aspects of the development of academic interest in the field of contextual human resource management and establishes the need for a move away from the emphasis on the universalistic approach to HRM. The chapter also presents a multilevel perspective on context encompassing the macro, meso and micro levels. This is followed by an explanation of the structure of the handbook and an overview of each chapter, and their contributions to this text.

Keywords: context, human resource management, HRM, Cranet, multilevel

The Origins of This Handbook

THIS handbook is the culmination of a sustained collaboration, the foundations of which were laid over thirty years ago with the establishment of the Cranfield Network on International Human Resource Management (Cranet) in 1989 (for more details, see, for example, Brewster, Mayrhofer, & Morley, 2004; Lazarova, Morley, & Tyson, 2008; Mayrhofer, Gooderham, & Brewster, 2019; Morley & Heraty, 2019; Parry, Farndale, Brewster, & Morley, 2020; Parry, Stavrou-Costea, & Morley, 2011). Launched with five founding member countries (France, Germany, Spain, Sweden, and the United Kingdom), Cranet is now the largest and longest running human resource management (HRM) network in the world, and in the early twenty-first century, it involves research partners in some forty-two countries¹ collaborating in the ongoing collection of data on HRM policies and practices in their respective countries. The data collection effort and the academic collaboration more broadly afforded by participation in the network are squarely focused on charting key aspects of the landscape of HRM in a diverse range of  sociocultural contexts and geo-

graphic territories. Many of the territories now covered by the network have been historically underrepresented in the academic literature.

The motivation for the founding of the network lay from the very beginning in the acceptance of the basic reality that obvious differences exist in the way HRM is conceptualized, institutionalized, and practiced in different contexts and in the understanding that a blanket approach to the transposition of elements from one system onto another was likely to be limited. In developing a collaborative architecture to give concrete expression to this pluralistic reality and engage in the coproduction of knowledge on the nature of HRM in a diverse range of territories, the network was joining a conversation that was emerging among a growing cohort of researchers who argued that scholarship had paid insufficient attention to the influence of context on the nature, direction, and impact of HRM.

Through their ongoing collaboration, Cranet scholars were increasingly understanding that context plays a critical role in the preferred approaches to HRM pursued by organizations operating in different locations and facing different situations. These scholars, and others, were gradually and incrementally teasing out distal and proximal factors that accounted for commonalities and differences across contexts. They were also increasingly aware that acknowledging and giving expression to this situational heterogeneity, and its consequences for both our theorizing and our empirics, could make an important contribution to advancing the conversation on the value of a more contextual approach to HRM.

As network membership grew, the conversations deepened about universalism versus contextualism. In many instances, those conversations pointed to gaps in the extant literature about what constituted the elemental building blocks of HRM in many territories. This exchange fed a growing collective awareness among an expanding group of collaborating scholars in the network and, beyond that, the very thing that we were increasingly focused on explicating, namely, a contextual paradigm for understanding HRM, had a broad range of meanings in the lexicon of the field internationally, and these demanded fuller treatment.

Because of the scale of the task in landscaping those elements and the breadth of territory that needed treatment, a handbook that would give coverage to the multiple dimensions of context seemed like an appropriate way to contribute to this evolving conversation. As editors, our mutually agreed objective therefore became one of conceptualizing and assembling the bricolage of key aspects of context as a phenomenon in HRM scholarship and curating it in a single source reference. We knew this would require compiling a range of conceptual and empirical analyses of diverse elements of context, ones that would give expression to different theoretical platforms or lenses, along with the incorporation of multilevel influences. Its added value, we felt, would lie in enriching the debate on the multiple dimensions of context in HRM and in further expounding the explanatory power of the contextual paradigm as a point of departure for research on the subject. The twenty-eight chapters that follow are the culmination of our efforts in this regard.

(p. 3) **Context and Human Resource Management Research**

The fundamental question of the most appropriate paradigm for inquiry in the field of HRM, and indeed in the social sciences more broadly, has occupied a central place in academic discourse for a protracted period. The contrasts and contestations between universalism and contextualism lie at the very heart of this debate. The universalist approach, which seeks to build generalizable knowledge, stands in contrast to the contextual approach, which searches for a fuller understanding of what is contextually unique and why (Brewster, Mayrhofer, & Morley, 2000). The increasing calls for deeper contextualization serve as the fundamental point of departure for us in the preparation of this handbook. These calls are rooted in a belief in the value of different research traditions and the particular explanatory power and utility of the knowledge generated through following those traditions. Scholars working to advance a contextual approach have called attention to its conceptual and analytical benefits, along with the many inherent challenges that accompany its pursuit and execution. From a basic paradigmatic perspective, Rousseau and Fried (2001, p. 1), for example, highlight that contextualization serves to more fully acknowledge that significant contestations and limitations arise when trying to transport “social science models from one society to another” and this accentuates why it is critically important to pay “special attention when exporting scientific constructs and research methodologies across national borders.” From the perspective of theoretical positioning and scaffolding, Minbaeva (2016, p. 95) notes that when properly executed, contextualization can serve as “a novel source of theorizing” in the fundamental framing of the research problem under investigation from the outset. This, she rightly maintains, is a qualitatively different stance from the one merely involving post hoc contextualization. Analytically, Johns (2018, p. 21) emphasizes that contextualization as a tradition “permits integration across research areas and levels of analysis,” while from a knowledge utility perspective, Teagarden, Von Glinow, and Mellahi (2018) underscore that contextualization brings to center stage the important issue of boundary conditions or particular limitations that may apply to the generalizability of the research findings being advanced. The overall complexity of the research challenge involved in generating contextual insights in order to strengthen theory and deepen our appreciation of embedded management practices in more diverse settings is perhaps best captured by Shapiro, Von Glinow, and Xiao (2007, p. 129), when they highlight the importance of adopting stances and employing approaches capable of unearthing “multiple and qualitatively different contexts embedded within one another.”

Cappelli and Sherer (1991, p. 56) cogently characterize context as “the surroundings associated with phenomena which help to illuminate that phenomena.” In the HRM domain of interest to us in this handbook, such surroundings, of necessity, comprise a diverse range of macro-, meso-, and micro-interrelated influences that, in combination, shape practices and outcomes and account for commonalities or differences in the way (p. 4) these are developed and deployed within regions, nations, sectors, organizations, functions, and/or units. While here we classify and unpack these macro, meso, and micro sur-

rounding influences as they apply to HRM one at a time, we stress that it is only by appreciating the interrelated nature of these contingencies that an organization's preferred HRM practices and postures may be more fully understood and accounted for.

Over the past thirty or more years, there has been a growing recognition that context is crucial in understanding the effectiveness of HRM policies and practices, in particular in relation to their impact on organizational performance. Indeed, as far back as the 1980s, the Harvard (Beer, Spector, Lawrence, Quinn Mills, & Walton, 1984) and Michigan (Fombrun, Tichy, & Devanna, 1984) models of HRM, often seen as the founding texts in HRM scholarship, included reference to contextual determinants. Beer et al. refer specifically to stakeholder interests and situational factors, while Fombrun et al. broadly identified economic, cultural, and political forces. Despite the inclusion of context in these two seminal texts, the notion of context in HRM was broadly ignored as the scholarship in HRM developed.

Much of this scholarship came from the United States, the home of HRM, where notions of self-help, independence from external influences, and the primacy of the rights of owners have a long cultural history. In HRM as a field of study, adopting these criteria plays well to a neoliberal audience and is well received by many HRM practitioners who want to feel that they have scope and choice and that their actions will make a difference. Combined with the ever-increasing pressure in the top journals for “generalizability” of results as a touchstone of management “science,” this led the extensive literature on HRM to take a primarily “universalist” perspective (Brewster 1999), implying that the relationship between HRM practice and organizational outcomes was largely consistent regardless of context and, thus, that adopting particular “best practice” HRM will always result in superior performance (Delery & Doty, 1996). Thus, much of the literature, specifically that which falls under the rubric of strategic HRM, assumes that managers have agency and, in fully exercising this agency, can choose and implement any strategy that they deem appropriate (Wangrow, Schpeker, & Barker, 2015) and that these strategies will have direct and intended consequences.

For many years, the largest single topic in the HRM literature (and its often poorly distinguished subcategory of “strategic” HRM) consisted of attempts to show that it was directly related to organizational performance (see, for example, Huselid, 1995; Pfeffer, 1994, 1998) and that specific sets of HRM practices—dubbed *best practice*—could be identified and would invariably be linked to improved corporate performance outcomes. The fact that such practices tended to look a lot like the espoused practices of large, successful businesses in the United States did not stop proponents claiming that they could be applied in any circumstances—they were generalizable.

Despite the widespread focus on universalism in HRM, the understanding that organizations operate in specific contexts and that different contexts will mean the development of different approaches to HRM has persisted in some quarters. For example, Schuler and Jackson (2014, p. 35) highlighted the importance of a “deep understanding of a firm's external environment” for HRM, while Farndale and Paauwe (2018, p. 203) (p. 5) noted that

“firms do not operate in a vacuum.” Most scholars will recognize that context will affect what an organization can do in relation to its HRM; however, these authors, and the editors of and contributors to this handbook, believe that the different practices that need to be applied as a result of the different contexts will be more situationally appropriate, more legitimate, and, indeed, in many cases “better” than any one-size-fits-all “best practice” approach. This is the reason that commentators may sometimes see context in HRM as being part of a more critical tradition.

In this handbook, therefore, we subscribe to this contextual approach to HRM, believing that the same approach to managing human resources will be likely to have differential effects in different contexts (Stavrou, Brewster, & Charalambous, 2010). What will work well in the giant multinational headquarters of a major consumer goods company in Chicago may be quite different from what will work well in a small family firm offering consultancy services in Slovakia. These contexts operate at or in multiple levels, sizes, sectors, countries, and regions and are characterized by a range of stakeholders such as economic actors, governments, local authorities, trade unions, and communities (Beer, Boselie, & Brewster, 2015). Background factors are also important elements of the context: ranging from distal factors such as the size, geographical location, and weather of a country, through intermediate factors such as economics and politics, history, and the local education system and national religions and cultures, to proximal factors including local and international competition, labor laws, and trade union representation.

Alongside the stream of universalistic strategic HRM literature (which, to be clear, is because of the hegemony of the US system, now found around the world), there is a smaller but increasing focus on context, particularly at the national level. Indeed, the late twentieth and twenty-first centuries saw a growing appreciation of the importance of context and a growth in the amount of academic research in this area. In Europe in particular, efforts were made to develop a more nuanced understanding of how the European context might affect the nature of HRM. For example, Brewster (1995) developed a model of HRM in Europe based on the assumption that the autonomy of firms operating within certain European nations was restricted by those country’s institutions and that the nature of HRM was influenced by factors related to the national context (e.g., culture, legislation, economic trends, ownership patterns), international context (e.g., European Union), and what he termed the national HRM context (e.g., education/training, labor markets, and trade unions). This paper supported a line of thinking that moved away not only from universalistic approaches to HRM, but also from contingency theories that focused on internal contingencies such as the organizational strategy (Delery & Doty, 1996). Taking a similar approach, Paauwe (2004) presented his “contextually-based human resource theory,” arguing that HRM needed to be understood as an element of the firm, which was also part of a broader society or operating context. More recently, Paauwe and Farndale (2017) developed the “contextual strategic HRM framework” that divides context into the competitive mechanisms with regard to how an organization positions itself in the marketplace (e.g., technology, products, or services); the institutional context (e.g., regulatory, social, political, and legal context); (p. 6) and a heritage mechanism, which is based on path dependency created by how the firm has operated in the past (Farndale & Paauwe,

2018). These are examples of approaches that emphasize the importance of the macro- and meso-level context in influencing both strategic choices in relation to HRM and the effectiveness of these HRM practices in delivering positive outcomes.

The development of these models has been accompanied by a plethora of empirical research that examines the impact of macro-level context on HRM decision-making. Generally, this research has fallen into two areas. The first is that of comparative HRM, which compares the use of HRM policies and practices across countries or regions and the reasons (usually seen as aspects of national culture or national institutions) behind any differences (Brewster, Mayrhofer, & Farndale, 2018). The second is the examination of HRM in multinational enterprises and their subsidiaries that must work across these national differences (Stahl, Björkman, & Morris, 2012), with a small stream of research examining the relationship between the two (Brewster, Mayrhofer, & Smale, 2016). This research has demonstrated the complexity in relation to the macro-level factors driving HRM and supported the idea that HRM is indeed not universal. In fact, it varies in concept, definition, coverage, formalization, attitudes to stakeholders, and what is seen as “good” HRM.

Macro or distal contextual HRM research has followed a number of theoretical perspectives, focusing on different aspects of the national context, mainly associated with national culture (Hofstede & Minkov, 2010; House, Hanges, Javidan, Dorfman, & Gupta, 2004) and the institutional environment (Amable, 2003; Hall & Soskice, 2001; Whitley, 1999). The development of these two strands of research on national context and HRM has led to the development of multiple theoretical approaches addressing the impact of institutions (e.g., comparative capitalisms; institutional theory and neo-institutionalism) and a variety of methods of measuring both institutional characteristics and national culture. The result is that research addressing the impact of national context on HRM has become somewhat fragmented, with most authors focusing on either institutions or culture. We therefore need more research combining these perspectives as well as comparing and contrasting their assumptions and the outcomes of different aspects of theorizing. So, this handbook considers multiple theoretical lenses on context to allow us to understand what each one offers in relation to developing this contextual approach to HRM.

Much of the contextualization literature to date focuses on macro context and on (usually cultural or institutional) factors at the regional or national level that might affect the choice or effectiveness of HRM activities. However, casting further light on meso and micro or more proximal contextual influences is also an important part of coming to a fuller understanding of multilevel contextual determinism. Here, for example, a fuller representation and more detailed treatment of industrial sector, organizational size, or ownership, often relegated to controls, is important in accounting for commonalities and differences in HRM recipes. We know much about large, private-sector organizations operating in certain sectors, but much less about other sectors and types. We therefore consider multiple aspects and levels of context to communicate a (p. 7) more holistic and multidimensional view of the paradigm and its value and explanatory power in a broader range of settings. For our purposes, context represents an intersection and interaction between the macro level (geographic, regional, and national), the meso level (sector, industry, own-

ership, unionization), and the micro level (the HRM function, activities, status). Note that, as we are concerned with context, we limit our analysis of the micro level to the organization: we do not examine individual-level interactions. Our aim in this book is to widen the perspective and understanding of context as a multilevel phenomenon and underscore how these levels and characteristics might intersect to drive HRM policy and practice.

The Shape of the Handbook

To address our objectives and explicate the multilevel nature of context, we have divided the book into four sections: theoretical and conceptual lenses, regional and cultural clusters, sector and organizational influences, and the functional context and activities.

Theoretical and Conceptual Lenses

The first section offers an in-depth examination of key established theoretical lenses, along with emerging ones that have served as conceptual platforms examining the influence of different elements of context on HRM. Our decision on what was to be included here was guided by the importance of achieving a balance between dominant established lenses, with their explanatory power in accounting for contextual influences, and newer, emerging perspectives that hold the prospect of opening up new lines of research. To this end, we settled on six such theoretical perspectives, as follows: the cultural lens, the institutional lens, the critical lens, the performance lens, the emerging markets lens, and the terrorism lens. In bringing together these theoretical platforms, this first section of the handbook assembles key elements of the ways in which context has been conceptualized and serves to call attention to the intellectual utility of these platforms as conceptual points of departure chosen by scholars seeking to advance a contextual perspective on HRM.

National culture represents an enduring and important part of the context in which organizations operate and in which HRM is practiced. In Chapter 2, Peretz and Knappert examine the provenance and the prominence of the cultural lens as a theoretical platform for explicating contextual HRM. The authors review the literature dealing with the intersection of culture and HRM, focusing on why and how culture accounts for variance in HRM practices and the differing outcomes between organizations operating in diverse cultural settings. It examines how culture is defined and measured and reviews several established frameworks of culture. This is followed by a review of related studies conducted by Cranet members and other established scholars examining (p. 8) cultural influences on particular HRM practices (i.e., recruitment and selection, performance management and performance appraisal, training and development, compensation and benefits, flexible work arrangement, diversity management, and high-performance work systems) and their outcomes. The chapter concludes with practical implications and suggested avenues for future research.

In parallel with the cultural lens, HRM scholars have embraced institutional ideas to understand variations in HRM systems and practices in different settings. Along with the cultural perspective, the institutional lens has allowed researchers to build more pluralist insights and has served as an important theoretical lynchpin in enhancing the contextual relevance of much HRM research. In Chapter 3, Allen and Wood review three related, but distinctive, institutional approaches to HRM policies within organizations. They view institutions, organizations, and their HRM policies as conceptually separate, but ontologically connected. In other words, they view context and HRM as intertwined, meaning that institutions play a key role in constituting what firms are and what HRM is in different contexts. They review work on HRM within different institutional frameworks and call attention to the similarities among, and the differences between, them. They argue that these institutional approaches add value to HRM analyses by explaining key variation among the nature of firms and how that variation influences important HRM outcomes.

Chapter 4 focuses on the value of a critical management lens for studying HRM. In this contribution, Bévort, Holck, and Mogensen argue that while mainstream HRM studies accept, without much reflection, that best practice HRM is what is best for management and owners, critical management studies start from the perspective that HRM is always about the exploitation of the weaker stakeholders in organizations. The chapter presents three critical analyses of HRM practices. The first addresses how institutional logics affect the practice of HRM professionals; the second presents alternatives to best practice diversity management; and the third examines a case of meditation practices as expressions of managerial control. The chapter culminates with suggestions on how to advance critical contextualized HRM scholarship.

Chapter 5 turns to the performance lens and the intellectual utility it provides in the HRM field. Boselie and Schott take the slightly less traveled road and concentrate specifically on the relationship between HRM and public-sector performance. The authors adapt the original Harvard model through blending contemporary general HRM insights with public administration and public management literature. The specific adaption centers on highlighting multiple stakeholder interests, situational factors, mediating factors referring to HRM policy choices, and HRM outcomes, as well as long-term consequences from a public-sector context perspective. They then present an overview of studies on HRM and public-sector performance. Arising from this review, they identify important gaps in the literature and highlight potential avenues for future research.

The emerging markets lens as a particular platform on which to build insights on HRM is of a more recent vintage than either the purely cultural or the institutional backdrops discussed here thus far. Though described as a portmanteau term (Horwitz, Budhwar, & Morley, 2015), there is no doubt that interest in, as well as research on, the emerging markets is on a significant upward trajectory. In Chapter 6, Horwitz, Cooke, and Kamoche highlight that the emerging markets reflect an evolving and diverse literature with a series of opportunities, encompassing the purely theoretical through to the methodological and the analytical. They provide an overview examination of approaches useful for un-

earthing the complexity and diversity of HRM in these contexts, including institutional, cross-cultural, internationalization, postcolonial, and hybrid perspectives.

Another focus of more recent vintage relates to security, conflict, and geopolitical risk, which is a threat to business through a range of “direct and indirect effects” (Czinkota, Knight, Liesch, & Steen, et al. 2010, p. 826). In Chapter 7, Bader and Reade focus on the development of an HRM terrorism response theory. They note that while a number of research studies have been published in recent years dealing with the implications of terrorism for HRM-related issues, most are focused at the individual level, with the result that a comprehensive theoretical approach at the organizational level relevant to HRM in the context of terrorism is lacking. To address this shortcoming, they examine extant literature on the influence of terrorism on HRM-related issues, integrate several theoretical approaches that emerge from this literature, and introduce an HRM terrorism-response theory relevant for organizations operating in countries afflicted with terrorism.

Regional and Cultural Clusters

Theoretical perspectives in the treatment of HRM that serve as the lens through which the particular phenomenon of interest is viewed constitute perhaps the most significant difference between HRM scholars. But macro differences vested in aspects of the geographic, the regional, and the national are important too and occasionally mirror theoretical differences. It is not just that HRM policies and practices vary from country to country; so do definitions of the topic, of what is included or excluded, and of what is deemed to be “good” HRM (Brewster, Mayrhofer, & Farndale, 2018). Geography clearly matters in HRM. Paradigmatically, studies of management in general, and HRM in particular, are by an enormous majority dominated by a “proper science,” universalistic approach (Brewster, 1999; Delery & Doty, 1996; Gardey, Alcazar, & Fernandez, 2004). This argues that the task of science is to discover universalist, generalizable rules (laws) that can be applied in all circumstances. Contributions in this tradition occupy most pages in the top business and management outlets. Paradoxically, however, the scientific rules applied to management and HRM studies differ from the rules applied in the natural sciences—as an example, replication studies (the backbone of much research in physics, chemistry, and medicine) are rarely entertained by the top journals in business and management—with the emphasis being on each paper making a “new” contribution. We make no comment on the “meta-analyses” that then add up all the inevitably “different” contributions to establish general laws. Practically, the limited resources (p. 10) applied to most academic studies mean that most research is carried out in a single country rather than comparatively, so international differences feature much less prominently.

When a comparative HRM agenda is pursued, as evidenced in this section of this book, it focuses on describing and explaining differences and similarities in patterns of HRM across countries or regions of the world (Brewster, Mayrhofer, & Smale, 2016; Kaufman, 2016). The field has typically been driven by empirical observation of difference rather than by theory (Mayrhofer & Reichel, 2009). Early work, often carried out by researchers from the industrial relations tradition where country differences were part of the dis-

course, focused on description—pointing out differences between countries in their HRM practices (e.g., Begin, 1992; Boxall, 1995; Brewster & Tyson, 1991; Hegewisch & Brewster, 1993). As our knowledge has developed, more attention has been paid to understanding the reasons for and outcomes of the differences, and greater attention is being paid to explaining rather than simply recording differences. Major explanators, both of which contain some truth, are, as noted in the first section of the book, institutional theories (e.g., Wood, Brewster, & Brookes, 2014) and cultural theories (Reiche, Lee, & Quintanilla, 2018). It has been argued that while both may be important, institutional theories may explain more than cultural theories (Vaiman & Brewster, 2015).

An unfortunate side effect of the universalistic paradigm, and a reflection of the “dominance” of the United States in our management thinking (Pudelko & Harzing, 2007; Smith & Meiksins, 1995) are the numerous studies attempting to apply etic concepts in clearly inappropriate settings. This is a constant challenge: journals are always readier to publish research where established constructs are employed, even when the results may simply be immaterial in the setting in which they have been generated. It should be obvious that research into selection criteria in Pakistan, using preexisting scales, will underestimate the effect of *Vartan Bhanji*; traditional studies of decisions to accept expatriation in Indonesia will miss the influence of parents and parents-in-law; high-performance work systems may not be all that common in Laos, even if people will politely answer questions about them. What we need is more research, emic research, written by people from different countries around the world and applying relevant, legitimate concepts and practices to deepen our understanding of HRM in those countries.

This gives the editors of a text like this some serious concerns. Unless this book is going to grow into an enormous encyclopedia, we cannot have a chapter on each of the two hundred or so countries that there are in the world. And even that would be problematic: Is it reasonable to try to encompass HRM in Vanatu with HRM in India, given the very small population of Vanatu and India’s huge population, split between many different states with different languages, institutions, religions, and cultures? But if we cannot have chapters on each country, how are we to address the issue of different geographical contexts in HRM? We decided to go for regional categories. It must be acknowledged that adopting this approach involves trading “within-systems” depth for “across-systems” scope and coverage (Garavan, McCarthy, & Morley, 2016). But the (p. 11) issues did not stop there. How big were these regions to be? Were they to be based on natural proximity (Africa) or cultural or institutional similarity (the Anglo-Saxon countries)? In the end, we chose a somewhat inconsistent mix of the two—arguing to ourselves that, apart from the Anglo-Saxon grouping, there is sufficient similarity within and sufficient distinction between the “proximity” groupings to maintain that as a consistent criterion.

In the end, perhaps because the editors are European and more conscious of the differences here than we are of the differences between anglophone, francophone, and lusophone Africa or within India, for example, the groupings we have chosen are the Anglo-Saxon countries, the Germanic, the Nordic, the postsocialist European states, and the “Latin” European countries, and then Latin America, Africa (concentrating on sub-Saha-

ran Africa), the Middle East, and Asia. Even this idiosyncratic analysis—and the inevitable lumping together of very different national contexts in the “continental” chapters—illustrates the very different ways that HRM is understood, conducted, and assessed in different geographical contexts. Despite the caveats, an approach of this nature can be valuable in providing contextual insights that can feed into the process of developing theory in HRM and expanding the range of systems examined in the literature.

Chapter 8 focuses on HRM in the Anglo-Saxon countries. Wood and Brewster note that these countries, also termed the liberal market economies, are just about the only example of a country cluster that both the cultural theories and the comparative institutional theorists agree on. They note that culturally, these countries are characterized by low power distance, high individualism, and low uncertainty avoidance, while institutionally, they have shared legal origins (common law) and are characterized by powerful private property rights, lesser rights for other stakeholders, and government being less interested in supporting stakeholder rights, with commensurate suspicion of government involvement and taxation. They debate how cohesive and consistent the Anglo-Saxon category really is and precisely how the implications for HRM are manifested in each country.

Chapter 9 focuses on HRM in the Germanic context. Krebs, Wach, Wehner, Reichel, Mayrhofer, Sender, Staffelbach, and Ligthart examine how cultural and institutional differences within Germanic Europe shape cross-national variation in the approaches of organizations to strategic integration of HRM and developmental HRM practices. Despite similarities, their comparison of societal cultural practices and institutional approaches reveals dissimilarities within the cluster. Using Cranet data, they show that the institutional and, to a lesser extent, cultural differences within the Germanic Europe cluster mirror the degree to which HRM is strategically integrated. In contrast, they find more similarities among the Germanic cluster countries in relation to a high level of professionalization concerning developmental HRM practices. The findings indicate that cross-national differences in the strategic integration of HRM and developmental HRM practices are partially time-invariant as a result of persistent differences in the institutional environment.

Chapter 10 focuses on HRM in the Nordic context. Bévort and Einarsdottir discuss how the specific institutional context has impacted the evolution of HRM practices in (p. 12) the cluster. First, the Nordic social model and HRM ideology are reviewed. Then the limits of the claim that the Nordic countries form a cluster with very similar attributes in relation to HRM are discussed by examining some of the characteristics and differences for each country. Cranet data are used to compare and highlight commonalities and differences characterizing HRM practices in the Nordic countries. The authors highlight that Nordic HRM operates on the back of an existing collaborative labor market and a social model where, compared to most other regions, egalitarian values are to the fore, a context that affects the status of HRM and HRM practices pursued in the five Nordic countries.

In Chapter 11, Morley, Kohont, Poór, Kazlauskaitė, Kabalina and Blštáková examine HRM in the postsocialist region of central and eastern Europe. They commence with a background discussion of the evolution of HRM in the region under three key periods, namely, the socialist period, the transition period, and the contemporary period. They then turn to providing a discussion of a selected number of particular historical and contextual factors that account for some of the commonalities and differences exhibited in contemporary HRM in the region. Finally, drawing on Cranet data, they provide a summative account of selected aspects of organizational-level HRM policy and practice in the region.

Chapter 12, by Trullen and Obeso, provides an overview of the HRM landscape in Latin Europe in the early twenty-first century. Latin European countries are commonly associated with lower levels of active population, weaker systems of social protection, higher rates of self-employment, and a dualistic labor market. Drawing again on Cranet data, the authors observe significant variance in HRM among the Latin European countries under examination, along with some shared traits. They find that the HRM department typically has a low degree of influence on strategic decision-making; there is lower investment in training and development and less involvement by line management in the management of employees. The Latin model also reveals a greater level of labor unrest relative to its European counterparts.

Aparecido Costa de Amorim and Carvalho Neto focus on the Latin American context with a particular focus on the Mercosur bloc in Chapter 13. They examine key features of both the HRM and the industrial relations systems in operation in the region. In particular, they examine whether the dissemination of HRM practices in an institutional setting that emphasizes hierarchy and market characteristics will also produce some kind of convergence in these practices. They explore the extent to which the rather different national institutional environments generate similar or different HRM practices. They suggest that the framework explored in the chapter could serve as a useful theoretical point of departure for identifying both national and regional contextual influences on HRM and industrial relations in the Latin American context and could open up new lines of inquiry, in particular, on the likelihood of convergence or divergence in HRM in the region.

Chapter 14 turns to HRM in the (sub-Saharan) African context. Horwitz and Ronnie provide a critical overview of the evolving body of research on HRM, labor market developments, insights regarding cross-cultural diversity, specific HR practices, issues (p. 13) pertaining to the efficacy of the adoption of Western and East Asian international HRM, and employment relations in selected African countries. Among other things, they find evidence of increasing research on HRM issues and mergers and acquisitions, on the impacts of privatization on HRM, on knowledge appropriation, on HIV/AIDS policy implementation issues, and on sustainable development. Despite a burgeoning research agenda, they highlight that there are still unexplored issues relating to African management and HRM and that new findings could reshape the research agenda, along with HRM policy and practice.

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In Chapter 15 on HRM in the Middle East, Haak-Saheem and Darwish provide a review on the myriad of terms and geographies that have been used to describe the Middle East and highlight the dearth of relevant literature on HRM in the region. They then explore the importance of the Middle East's unique institutional and cultural context for HRM and the implications of this for theory and practice. In particular, they examine the relative impact of context on HRM in general before looking at a number of specific examples of some of the Middle Eastern countries. This chapter concludes with setting down several important areas for future research.

Chapter 16, by Cooke, Supangco, and Rupidara, reviews key characteristics and developments of HRM in Asian countries against the backdrop of their rich historical features and the rapidly changing landscape on many fronts. It takes stock of what has been researched in the HRM field and the theoretical perspectives underpinning it. They highlight the growing trend toward positivist HRM studies of hypothesized organizational conditions and individual behaviors, at the expense of in-depth qualitative studies of the motivations, actions, and interactions of social groups, and outcomes in specific organizational settings. Set against this development, they argue that the understanding of people management in workplaces in Asia must take into account a range of institutional, cultural, organizational, and individual factors. They suggest that, in order to add social value and extend intellectual horizons, HRM research in Asia needs to more fully engage with real and live issues that are confronting employing organizations and individuals.

Finally, in this section on regional and cultural clusters, we address the fundamental issue of convergence. The question of whether HRM systems and approaches are subject to convergence, in particular as a result of a protracted period of globalization and the spread of practices by multinational enterprises (MNEs), is important because MNEs are powerful players in the landscape of international business and serve as purveyors of specific HRM practices. As they spread their influence around the world, as markets become more international, and as money moves around the world at an ever more frantic pace, might we expect there to be pressures on the most expensive element of operating costs for most organizations—the cost of their people—to become more competitive? And might that lead to the most cost-effective ways of managing people to become more common across the globe? Many years ago, Rosenzweig and Nohria (1994) noted that HRM was the most national of management activities: it is relatively easy to have similar information technology systems or similar marketing campaigns in different countries, but institutional and cultural differences between countries seem to (p. 14) be keeping their recipes for managing people distinct (Farndale, Brewster, Ligthart, & Poutsma, 2017; Mayrhofer, Brewster, Morley, & Ledolter, 2011; Mayrhofer, Morley, & Brewster, 2004). This is a nuanced picture and depends to a considerable extent on how we define the construct of convergence: it seems that aspects of HRM that are institutionally constrained remain nationally distinctive, for aspects that are less institutionally constrained the rhetoric, at least, and perhaps the practice may be converging. In Chapter 17, Mayrhofer, Brewster, and Pernkopf tackle the debate on convergence in HRM and cast particular light on the role of time and whether it changes the relationship between countries in the way that they manage HRM. The chapter addresses the notion of convergence in three

steps. First, it examines a range of conceptual views about what convergence means in different theoretical traditions and discourses. Second, based on that examination, it offers a balanced overview of the conceptual and empirical evidence about how HRM has been developing in different contextual settings over time, teasing out what we know for sure and what is still open for speculation. Third, the chapter outlines some promising options for future research at the conceptual, empirical, and practical levels.

Sector and Organizational Influences

One of the key factors that will make a difference to HRM, even within countries, is organizational ownership. Most of what we know about HRM comes from the private sector: the bulk of the research and publications that form the bedrock of our knowledge about, and understanding of HRM, concern the private sector. There are some studies of the effects on HRM of ownership in the privately owned sector—looking at the effects of different forms of equity investment (Bacon, Wright, Meuleman, & Scholes, 2014) and differences between equity investment from different countries (Guery, Stévenot, Wood, & Brewster, 2017) and in different countries (Bacon, Wright, Demina, Bruining, & Boselie, 2008). Generally, however, the private sector overall has been taken as the reference category. In an attempt to explicate sectoral and organizational meso-level influences on contextual determinism and examine some of the less studied sectors of the economy, our contributors look in some detail at the public and not-for-profit sectors (see also Brewster & Cerdin, 2018). We include a chapter on small and medium-sized businesses, specifically family businesses—a category that probably constitutes well over 90 percent of all the organizations that there are around the world and about whose people management (despite some fascinating insights: Patel & Cardon, 2010; Shulz, Bennett, & Ketchen, 1997; Stavrou-Costea & Manson, 2006; Verreyne, Parker, & Wilson, 2013) we know extraordinarily little. Other chapters in this section of the book examine the issues of trade union contexts and the particularly relevant case of MNEs.

With respect to MNEs, Poór et al. (2014) note that the ratio of people employed by MNEs is significantly higher in many transitional economies than in most Western ones, making them powerful, if sometimes “ambiguous” (Cooke, Wood, Psychogios, & Szamosi, 2011, p. 371), actors in these locations, with many MNEs playing a direct part in (p. 15) the very construction of the environment of developing country contexts in which they have chosen to locate. In Chapter 18, Rupidara examines HRM in MNEs in one such developing country context, namely, Indonesia. Employing both process and institutional perspectives to understand HRM in MNEs, the author casts light on how HRM systems within subsidiaries of MNEs, particularly in developing country contexts in Asia, are constructed and operate. Through a secondary analysis of published and unpublished materials, he highlights several multilevel contextual factors that influence the practices of HRM in MNE subsidiaries in the developing country context.

Chapter 19 explores aspects of HRM in a public-sector context. Leisink, Borst, Knies, and Battista reiterate the unique contextual features that pertain to the public sector despite decades of reforms in some countries to reorient organizations to private-sector manage-

ment principles. They note the lack of evidence on public-sector/private-sector differences in HRM practices. Using Cranet data, they examine whether public-sector institutional characteristics affect the application of HRM practices as theoretically expected. Their results show that, compared to twenty years ago, HRM in public organizations continues to differ in some respects from HRM in private-sector organizations—but not in others. The traditional belief that public-sector HRM is not as squarely focused on efficiency and effectiveness still holds, with the prevailing public service ethic and the resilience of collectivized industrial relations being suggested as contributory factors. Conversely, they note that the traditional public-sector HRM orientation on employee well-being is less distinctive, a development they suggest may likely affect the position of public organizations in the labor market.

Chapter 20 explores HRM in the not-for profit sector. Here, drawing on Cranet data, Parry and Kelliher examine the use of HRM practices such as recruitment, selection, training, reward, performance management, communication, and diversity in not-for-profit organizations. In the light of ongoing debates about how the not-for-profit sector differs from, or is similar to, the public and private sectors, they compare the findings across sectors. They show that many of the HRM practices used in the not-for-profit sector are similar to those used in the public and private sectors, making it difficult to identify a unique not-for-profit approach to HRM. However, they also suggest that some elements of the commonly cited “values-based approach” to HRM in the not-for-profits remain.

Chapter 21 examines the specific case of HRM in the family business context. In this contribution, Stavrou argues that family businesses seem to have unique characteristics that make them different from nonfamily firms in the ways they handle HRM. The author draws on the utility of three key theoretical perspectives, namely, the resource-based view of the firm, institutional perspectives, and stakeholder analyses, to advance understanding of HRM in family businesses. In exploring the direct relationships between strategic HRM and distal competitive outcomes, Stavrou suggests that the family business context seems to fall short compared to its non-family business counterparts. She notes that family businesses seem to pay special attention to certain stakeholders when compared to nonfamily ones, creating the need to explicate the reasons behind such emphasis. Finally, her analysis reveals that family businesses appear (p. 16) affected by certain institutional constraints and enablers, necessitating their study in greater depth and the reasons behind their effects. Her chapter culminates with the development of a proposed future line of research devoted to the study of HRM in family businesses.

The final chapter in our section on meso-level context—sector- and organizational-level influences—focuses on HRM in a trade union context. In Chapter 22, Ryan and Lavelle profile trade unions and their activities across a range of countries. In particular, the chapter focuses on providing contextual information on levels of trade union density (both at the national level and within organizations), levels of trade union engagement (trade union recognition), levels of influence that trade unions have in the workplace, and levels of collective bargaining. Drawing on different data sources, the authors reveal a picture of diversity across countries in relation to trade union activity and collective bargaining,

although declining levels of trade union density and collective bargaining coverage are common to many countries.

The Functional Context and Activities

In the final section of the book, we focus on the micro-level context, examining aspects of the HRM function, its activities, and its status. In terms of activities, we examine rewards and appraisals, human resource development, well-being, and diversity. With respect to the HRM function, we focus on outsourcing, the profile of the specialist leading the function, and whether the function is becoming more strategic.

Chapter 23 provides a treatise on individual-level rewards and appraisal. In this analysis, Gooderham and Mayrhofer postulate that individual performance rewards and individual performance appraisals are core tenets of “calculative HRM.” They then review cross-national studies of the adoption of calculative HRM and observe a substantial influence of national context on its adoption by firms. In terms of how to conceive national context, they observe from research that formal institutional influences are of more salience than informal influences. In addition, they note that recent research on the uptake of calculative HRM perceives context as a constraint rather than as a determinant. While managers have at least some latitude to implement calculative HRM practices, regardless of context, they suggest that their efforts need to be adapted to, and sensitive to, prevailing contextual constraints.

Adopting a multilevel and embedded stakeholder approach, Heraty considers explanations of human resource development (HRD) from a variety of perspectives in Chapter 24. Definitional aspects of learning and development at the organizational level are first introduced, followed by a deeper consideration of who the different HRD stakeholders might be at each level and what their priorities might include. Trends in the macro context for HRD are then discussed, before a review of the organizational-level context. Employing Cranet data, an analysis of HRD investment across the countries surveyed is presented and followed by an analysis of HRD needs identification, targeted investment, and the common evaluation strategies employed.

(p. 17) In addition to the specific aspects of the work of HRM specialists, we also include a chapter that examines well-being. The well-being of workers was one of the long-term consequences that Beer et al. (1984) said should be the aim of HRM. Although much of the literature on employee well-being argues that it is important because it leads to valuable outcomes for the employer, the idea that individuals may have a right to well-being has only been resurrected more recently (Boxall & Macky, 2014; Guest, 2002; Van de Voorde, Paauwe, & Van Veldhoven, 2012). Tregaskis, in her contribution in Chapter 25, argues that the well-being of employees through employment practices and skills development is gaining greater emphasis in economic growth strategies. She likens it to a new performance lens that challenges the primacy given to financial metrics over social metrics such as health and happiness and brings multiple stakeholder interests into play. This chapter examines the evidence base for employee learning as a pathway to well-being,

and the case is made for a renewed focus on such learning to enable transformative change that supports individuals, organizations, and society.

Chapter 26 is focused on the diversity context of HRM. Kramar and Jepsen highlight that diversity management is composed of demographic, economic, and political considerations as it focuses on managing individual differences. They present models of diversity management and discuss diversity frameworks from strategic management through stakeholder approach, social categorization, social identity theory, and social capital theory. In addition, data on recruitment action programs are presented to demonstrate the varied uptake of particular diversity practices in selected countries. Opportunities for further research are identified.

The issue of outsourcing of HRM, or of perhaps the more administrative elements of the subject, while particularly popular some time ago (Adler, 2003; Gilley, Greer, & Rasheed, 2004; Klaas, McClendon, & Gainey, 1999), perhaps as a result of consultancies trying to build a market for their outsourcing products, remains a prevalent topic in some quarters. The public sector is a particular case in point in this regard. In Chapter 27 on outsourcing, Lazarova and Reichel provide an overview of the current literature on HRM outsourcing. They note that there are few reliable sources on the actual extent to which organizations implement HRM outsourcing or on its overall impact. Some studies suggest small positive effects on company performance and mixed effects on outcomes related to the functioning of HRM departments. The authors present empirical data from a comparative HRM study on the prevalence of outsourcing, yielding insights on how widespread it is, and suggest future directions for research in the area in order to open new lines of inquiry.

The profile and competencies of HRM directors are crucial in shaping the strategic role of HRM in organizations. Chapter 28, by Sender, Staffelbach, and Mayrhofer, examines their profiles. They provide a comprehensive overview of the role of contextual factors related to both external environment (e.g., national culture, industry) and internal environment (e.g., ownership, the role of the HRM function, performance, employee turnover) for the profile of the HRM director. Then, using Cranet data, they explore differences in the profile of the HRM director across contexts and suggest reasons for these differences. Their analysis points to significant profile differences among HRM directors in relation to education, experience, and gender across contexts.

(p. 18) Our final chapter focuses on the perennial question of whether HRM functions are becoming more strategic. Historically, the role of the HRM function in organizations has been beset by debates about its contribution to and demonstrable impact on the bottom line. In Chapter 29, Farndale and Vidovic unveil the historical development of the strategic orientation of HRM departments in different regions of the world, providing both a theoretical base and an overview of current practices and trends. Their answer to the question, Is the HRM department becoming more strategic? is a qualified yes. In their analysis, the trends over time and across contexts appear to suggest directional convergence in the HRM department achieving a strategic role, though there are obvious differ-

ences in the pace at which this is being achieved. They find clear evidence of a connection between how advanced an economy is and the extent to which the HRM department can be more strategic.

Acknowledgments

As with all handbooks, the production of this volume has involved a sustained collective effort from a cohort of scholars with whom we have had the pleasure of working. While hard choices had to be made about various aspects of content, our guiding principle revolved around striking a balance between adequate coverage and appropriate depth. The extent to which that balance has been appropriately struck is best judged by you, our readers.

As editors, we want to thank some very important people. First, we thank the team at Oxford University Press for their support—and indeed their patience—as we worked to develop this handbook. Our contributors, a highly diverse group of scholars in their own right, have produced insightful summaries of the state of the art on their area and helped us to achieve our aim of offering conceptual and empirical analyses of different elements of context through a range of lenses. Behind our contributors stand an army of scholars and researchers who have provided much of the understanding that we and our contributors rely on. In front of our contributors, as it were, stand you, the readers of the handbook. We want to thank you for looking through it and hope that it is helpful to you. We wish you the best of luck with your teaching and your research, and above all, perhaps, we hope that you enjoy reading some of the contributions in the handbook.

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Notes:

(¹) Australia, Austria, Belgium, Brazil, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Nepal, the Netherlands, New Zealand,

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Norway, the Philippines, Romania, Russia, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

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