International Human Resource Management

7th edition

**Instructor’s manual**

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# Purpose and Topics covered in the Textbook[[1]](#footnote-1)

The major objective of this textbook is to provide an overview of international human resource management; however, this is a complex term. The field of international HRM has been characterized by three broad approaches. The first emphasizes cross-cultural management: examining human behavior within organizations from an international perspective. The second approach has developed from comparative industrial relations and HRM literature and seeks to describe, compare, and analyze HRM systems in various countries. A third approach seeks to focus on aspects of HRM in multinational firms. In this book, we take the third approach. Our objective is to explore the implications that the process of internationalization has for HRM activities and policies. In particular, we are interested in how HRM is practiced in multinational enterprises (MNEs).

Typically, HRM refers to those activities undertaken by an organization to utilize its human resources effectively. These activities include, but are not limited to, the following:

* Human resource planning
* Staffing (recruitment, selection, placement)
* Performance management
* Training and development
* Compensation (remuneration) and benefits
* Industrial relations

This volume intends to discuss these topics in an international context by explicitly considering the context of the multinational enterprise. Therefore, we also include a chapter on the cultural context on IHRM and the organizational context, as well as cross-border mergers and acquisitions, international alliances, and SMEs. An introduction and a conclusion complete the volume. The structure of the book is indicated by the names of the ten chapters, which are as follows:

1. INTRODUCTION
2. THE CULTURAL CONTEXT OF IHRM
3. THE ORGANIZATIONAL CONTEXT
4. IHRM IN CROSSBORDER MERGERS & ACQUISITIONS, INTERNATIONAL ALLIANCES, AND SMEs
5. SOURCING HUMAN RESOURCES FOR GLOBAL MARKETS—STAFFING, RECRUITMENT, AND SELECTION
6. INTERNATIONAL PERFORMANCE MANAGEMENT
7. INTERNATIONAL TRAINING, DEVELOPMENT, AND CAREERS
8. INTERNATIONAL COMPENSATION
9. INTERNATIONAL INDUSTRIAL RELATIONS AND THE GLOBAL INSTITUTIONAL CONTEXT
10. IHRM TRENDS AND FUTURE CHALLENGES

The sixth edition of this book has been designed as a standalone text for an advanced undergraduate or graduate level overview course on international HRM. Alternately, the text can be used in support of a broader international management text to emphasize the critical nature of people issues for multinational enterprises.

The chapter objectives, chapter summaries and additional readings features provide a focused set of learning objectives and heuristic support for students and instructors alike. The in-chapter cases and the in-depth case studies at the end of the text provide students with the opportunity to apply and contextualize the definitions, theories, models and concepts in the text. The in-depth case studies at the end of the text have been specifically designed to provide instructors with a series of platforms to explore one or more of the functional areas of IHRM as well as investigate some of the cross cultural and unique issues MNEs face in the deployment of people around the world. In this sense, several of the cases have been written so they can be used to delineate the topics presented in more than one chapter of the text.

The additional readings and extensively updated endnotes provide graduate instructors and graduate students with an integrated set of references for further exploration and review. At the same time the text does not assume the reader has an advanced understanding of HRM or international management.

This instructor’s manual offers notes on the book chapters in Part I and notes on the cases in Part II.

# Part I: Chapter Notes

# Chapter 1: INTRODUCTION

#### Learning objectives:

* Being able to define key terms in international human resource management (IHRM) and consider several definitions of IHRM.
* Knowing about the historically significant issue of expatriate assignment management and reviewing the evolution of these assignments to reflect increasing diversity with regard to what constitutes international work and the type and length of international assignments.
* Getting acquainted with the differences between domestic and international human resource management and detailing a model that summarizes the variables that moderate these differences.
* Understanding the complexity of IHRM and the increasing potential for challenges to existing IHRM practices and current models, and developing an increasing awareness of the wide number of choices within IHRM practices due to increased transparency and the faster and more detailed diffusion of these practices across organizational units and firms.

#### Chapter Summary:[[2]](#footnote-2)

The purpose of this chapter is to provide an overview of the emerging field of international HRM. This is achieved by:

* Defining key terms in IHRM and considering several definitions.
* Introducing the historically significant issue of expatriate assignment management and reviewing the evolution of these assignments to reflect increasing diversity with regard to what constitutes international work and the type and length of international assignments.
* Outlining the differences between domestic and international human resource management by looking at six factors (more HR activities; the need for a broader perspective; more involvement in employees’ personal lives; changes in emphasis based on variances in the workforce mix of expatriates and locals; risk exposure; and more external influences) and detailing a model which summarizes the variables that moderate these differences.
* Presenting the complexity of IHRM, the increasing potential for challenges to existing IHRM practices and current models, and developing an increasing awareness of the wide number of choices within IHRM practices due to increased transparency and the faster and more detailed diffusion of these practices across organizational units and firms.

We conclude that the complexity involved in operating in different countries and employing different national categories of employees is a key variable in differentiating between domestic and international HRM, rather than any major differences between the HR activities performed. We also discuss four other variables that moderate differences between domestic and international HRM: the cultural environment; the industry (or industries) with which the multinational is primarily involved; the extent to which a multinational relies on its home country’s domestic market; and the attitudes of senior management. These five variables are shown in Figure 1.3. Finally, we discuss a strategic HRM model applied in multinational enterprises (Figure 1.4), which draws together a number of external and organizational factors that impact on IHRM strategy and practice and in turn on MNE goals.

#### Links to other chapters:

This introductory chapter provides the basis for all the other chapters. The definitions and understanding of the differences between HRM and international HRM described herein are key to understanding the other chapters of the book.

#### Discussion Questions:

## What are the main similarities and differences between domestic and international HRM?

This question is addressed in ‘Defining international HRM’ (pp. 2-3) and ‘Differences between domestic and international HRM’ (pp. 4-5):

* HRM = ‘[...] those activities undertaken by an organization to utilize its human resources effectively’(p. 2), including at least: human resource planning, staffing (recruitment, selection, placement), performance management, training and development, compensation (remuneration) and benefits, and industrial relations (🡪similarities between domestic and international HRM).

Differences:

* Domestic HRM involves employees working within only one national boundary*.*
* IHRM also includes aspects pertaining to the national or country categories involved in international HRM activities (the host country where a subsidiary may be located, the parent country where the firm is headquartered, and ‘other’ countries that may be the source of labor, finance, and other inputs), as well as the three categories of employees of an international firm (host country nationals, parent country nationals, and third country nationals).
* In IHRM, staff are moved across national boundaries into various roles within the international firm’s foreign operations (expatriates/international assignees).
* In IHRM, the complexity of operating in different countries and employing different national categories of workers is a key variable that distinguishes domestic and international firms. This complexity is due to six factors: more HR activities, the need for a broader perspective, more involvement in employees’ personal lives, changes in emphasis as a result of variances in the workforce mix of expatriates and locals, risk exposure, and broader external influences.

1. The authors would like to thank David St. George, whose work on an earlier version of the instructor’s manual was partly adopted for the sixth edition, and Julia Spieß, who prepared most of the sixth edition’s Part I in close cooperation with the authors. [↑](#footnote-ref-1)
2. Bullet points in the chapter summaries include important parts taken from the lecture, which are covered by the PowerPoint materials provided to instructors. [↑](#footnote-ref-2)