

Reputable Relevant Realistic Reliable and Rigorous Human Resource Management Strategic Approaches and Practices in the 21st Century

Esnart Mwaba Tayali

PhD Student, University of Strathclyde,
Glasgow, Scotland

Kwesi Atta Sakyi

Head of Research -ZCAS University,
Lusaka, Zambia

ABSTRACT

Human resource management is a multi-dimensional and complex phenomenon comprising a number of management themes. Without reputable, relevant, realistic, reliable and rigorous Human Resource Management strategic approaches and practices, companies can fail to effectively operate in a global market. The world has become interconnected as companies operate in a competitive global market economy. Even though Human Resource Management continuously gains scholarly attention yet there are still many gaps in it which need attention. There is no conclusive research on Human Resource Management strategies and approaches in the management of complex workplace issues. These complex issues faced today include convergence, divergence and cross-vergence of International Human Resource Management approaches, Cross-Cultural Management, Reward Strategy, Talent Management, and Control or Commitment Strategy. This paper provides a springboard for a better understanding of the Human Resource Management strategies, approaches and practices in the management of complex workplace issues. Appropriate management of people endows companies with unique and indispensable capabilities and capacities needed for differentiating and survival in a global market economy. The paramount goal of an organisation is to meet and satisfy customer needs and to be a market leader. Reputable, relevant, realistic, reliable and rigorous Human Resource Management strategies can help to fulfil the needs of customers, thereby increasing company profitability.

Key words: Human Resource Management, Convergence, Divergence, Cross-Cultural Management, Polycentric, Geocentric, Ethnocentric, Regio-centric.

INTRODUCTION

For many years, Human Resource Management (HRM) has been known to be an essential and critical area in management studies. As such, this topic has drawn so much attention in research in

a quest to determine the best Human Resource (H.R.) practices, strategies and approaches that can yield the best outcomes. According to Hauf (2014), the focus of HR strategy is slowly shifting from control to commitment because the later yields better performance and greater outcome (Innocenti et al., 2017).

Countless researches have been done on strategies, approaches and practices for both Domestic and International Human Resource Management (IHRM). Still yet there is no specific HR strategy or practice or approach that has proven to work for different MNCs. The effectiveness of HR practices, strategies and approaches depends much on a company's external and internal context (Storey et al., 2009). Due to the evolving world of technology and nature of work, it is not advisable to constantly engage the same HR strategies, approaches and practices. Some of the strategies are actually obsolete in the 21st century.

Globalisation has made HRM more complex and complicated. HR managers are advised to constantly revisit, analyse and revise their strategies and approaches. This paper emphasizes on the need to use reputable, relevant, realistic, reliable and rigorous HRM strategies and approaches. HR managers should be agile in order to have reputable, relevant, realistic, reliable and rigorous HR strategies and approaches (Saha, 2017). The big question is whether HR practices should conform to or compromise with the standard HR approaches and strategies.

BACKGROUND

According to Schuler (2005), the context and focus of HRM practices have drastically changed worldwide in the last century. During the 1980s business focus changed from domestic to global. The speed of business conduct increased. As such there was need to address new productivity issues and labour costs. The US began to see HR professionals as important potential partners to be involved in the firm's strategic decision making. The unfolding of a brand new company paradigm in the preceding decades had driven companies to reconsider their processes and internal structures. The bureaucratic, classical and hierarchical form of management which was characterised by multiple layers, control and vertical layers was proven to lack flexibility and agility required to meet the ever-shifting market demands and conditions (Innocenti et al., 2017). The post-bureaucratic paradigm has stimulated many changes in the management sciences (Hornstein, 2017).

HRM practices, strategies and approaches are at crossroads facing a crisis of unprecedented complexity as a result of fast-evolving technology and globalization. In the wake of time-space compression, intense competition and destabilized hyper-capitalism, companies need the agility and ability to cope with uncertainty (Rifkind, 2000), thus the need to adopt flatter structures that are characterised by commitment and loyalty of employees. It is therefore important for HR practices, strategies and approaches in the 21st century to be redefined and refocused.

According to Ahmad (2017) HRM names have changed many times throughout history. The changes are mainly because of the shift in economic and social activities throughout history. In 1833, Industrial welfare became the first form of Human Resource Management. This form focused on male factory inspectors. However, in 1878, there was a legislation which was passed to regulate working hours to 60 hours only in a week (Ahmad, 2017).

That was the time when trade unions began to be formed. The first trade union conference was held in 1868. It was during that time that collective bargaining started. In 1913 there was a growth in the number of industrial welfare workers. Seebohm Rowntree held a conference. From that conference, the Welfare Workers Association (WWA) was formed. Later, the WWA was changed to CIPD (Chartered Institute of Personnel and Development). The 19th century brought in the Personal Management paradigm when the welfare secretaries also known as welfare officers came into play. These officers were predominantly females who focused on the protection of girls and women (Ahmad, 2017).

It was during the middle of the 1980s when the term HRM came about in the USA. The fascinating term “human resource” suggesting that employees are resources or assets received a warm welcome, especially in the USA. During the time, HR appeared to also emphasize on motivation and commitment hence the term “HR” was welcomed in the workplace. Today, HR encompasses multiple management disciplines and themes such as recruitment and selection, reward management, diversity management, equality, cross-cultural management, learning and development, among many other fields.

Since the unfolding of the term HR, many strategies and approaches have been developed by researchers in the field of HRM. However, all the strategies, approaches and practices keep changing from organisation to organisation in the course of time with changing technology (Ahmad, 2017).

THEORETICAL DISCUSSION

Human Resource Management

According to Adriaenssen (2016), HRM is a combination of various HR strategies and practices at three different levels (Macro, Meso and Micro) to manage people in an organisation. The HR practices differ from one level to the other. Strategic HR must focus on the Macro, Meso and Micro levels. Macro HR management is in an external context by understanding the business environment at global, regional and country contexts whereas Meso HR is at the Organisational level by focusing on value creation and employee commitment. HR Micro level seeks to manage individual employee welfare. The strategies used at all the three levels have reciprocal influence on each level.

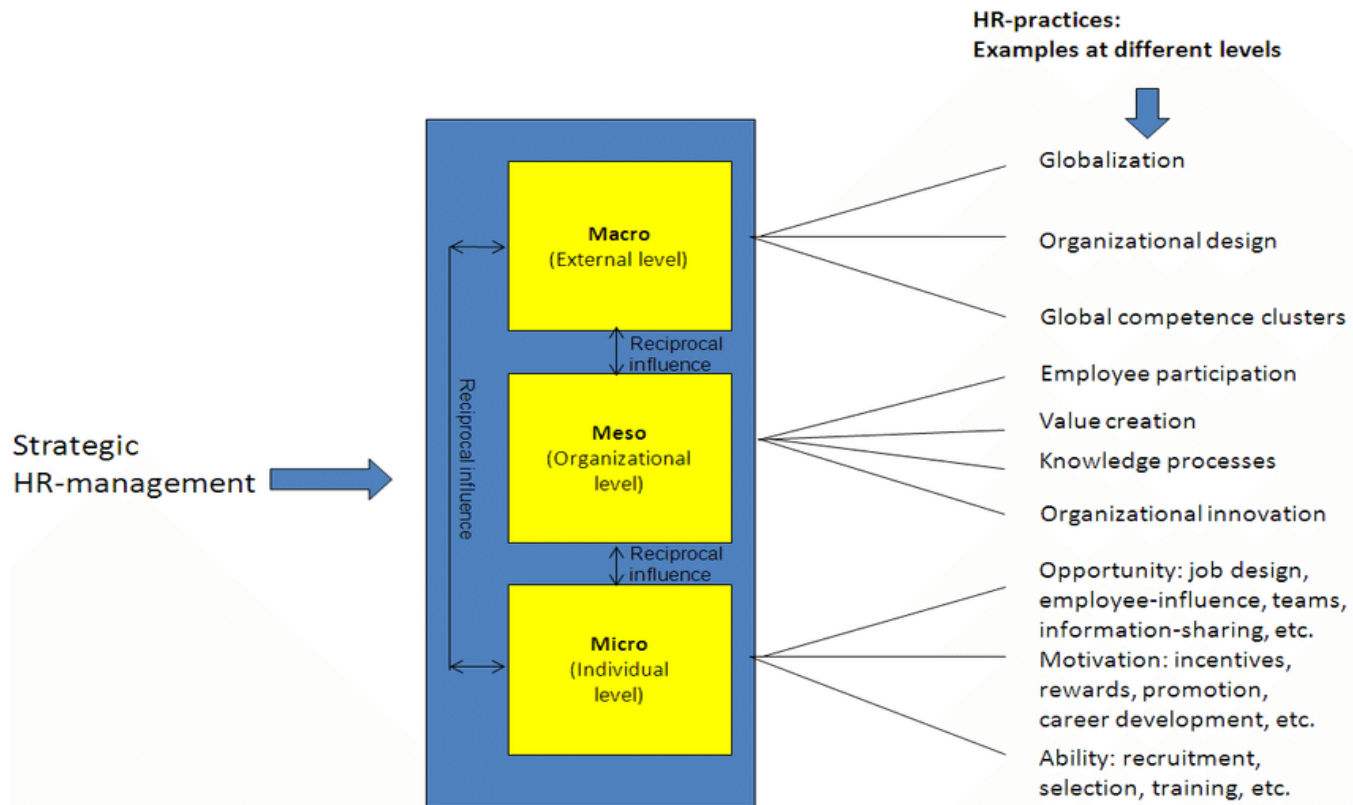


Figure 1 Meso, Macro and Micro levels in HR

(Source: Adriaenssen et al., 2017)

Before implementing any strategies and approaches, HR managers need to understand the three different levels. The Macro level has a lot of influence on the Meso level (Storey et al., 2009). The culture surrounding the organisation at the Macro level might be different from the culture surrounding the organisation at the Meso level. Other Macro level influential factors on the Meso level include government policies, political stability/instability, corruption, exchange rates, inflation rates, foreign trade policy, labour laws, trade restrictions, technology incentives and pressures from competitors. Ignoring these important Macro factors in HRM can negatively affect the positive outcomes or intended goals at the Meso level. The level at which HR activities fit the external (macro) demands is known as external fit (Pinameneni et al., 2017).

HRM in a Global context

International HRM (IHRM) is a complex phenomenon which involves the management of human resource at the international level (Barachina, 2019). This is done to achieve Organisational goals and objectives and gain competitive advantage in a globalized market economy that is characterised by multiple competitors. According to Caligiuri (2010), managing a global workforce for an MNC can be challenging because of complexity. IHRM comprises three main approaches which overlap each other. These approaches include cross-cultural management, HRM in the multinational context, and comparative HR and Industrial Relations (IR) systems (Dowling et al., 2013).

Cross-cultural management

This form of management focuses on differences which exist between national beliefs, norms, attitudes and values. Each society has a unique set of values which differentiates it from other societies. This affects the manner in which employees are recruited and managed. This premise believes that HR management must suit the host country's culture.

Comparative HRM

Comparative HRM explores the differences in HRM among nations in terms of employment laws, trade unions, labour markets size and educational systems.

HRM in a multinational context

This aims to study the manner in which MNCs deal and manage their employees' distinct international contexts. It looks at how organisations design and develop their separate HR systems. Figure 2 below captures the linkages among all these forms of HR.

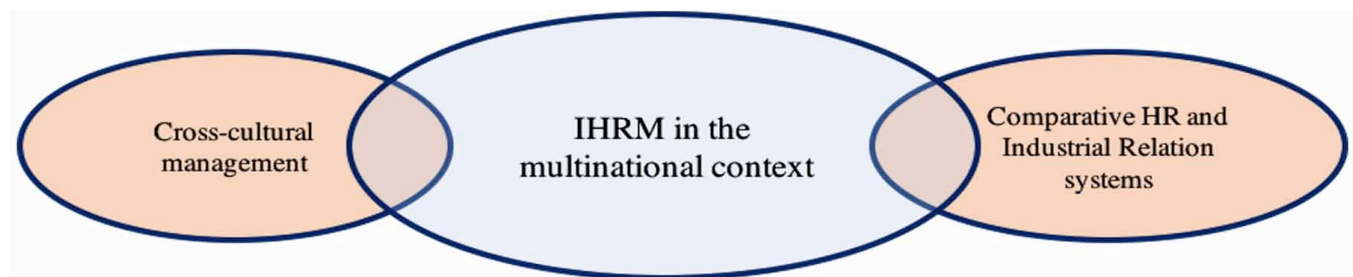


Figure 2: Three approaches in HRM overlapping on each other

(Source: Dowling, 2004)

IHRM is not restricted to a specific model, ideology or style. IHRM involves a continual learning process of strategies to suit people of different cultures, current industry, market trends and needs. Unlike domestic HRM, IHRM has multiple activities, diverse cultures, complex issues, a greater risk exposure, extra external influences and additional costs (Tiwari, 2013).

FINDINGS AND ANALYSIS

Where have HR Managers gone wrong?

There has been a wrong concept amongst HR Managers to only adapt specific HR strategies, models and approaches. This has led to failure in achieving company and HR goals and objectives. For a better achievement of HR outcomes, there is need to have open-minded HR. These are Practitioners who can consistently adapt to change by innovative ideas that can drive positive change in global and domestic companies in the 21st century. This is because we are now operating in a volatile environment which is characterised by constant change and rapid advancement in technology. There is no specific approach or strategy to manage all these aspects. There is need to practise agility and alter systems to suit multiple circumstances in order to have desired outputs (Sasha, 2017).

HR Managers and practitioners have a tendency of adapting HR strategies, approaches, models without critically seeking to assimilate and analyse the specific needs surrounding the environment. For example, domestic and international HR strategies and approaches differ in different cultural

milieu. Similarly, the nineteenth and the twenty first century HR strategies and approaches differ in their orientations. There is a dilemma on deciding whether to converge, diverge or cross-verge.

There is constant change of technology every day. HRM has so much impact on company performance and profit-making (Huselid, 1995). Therefore, HR strategies should be suitable to enhance competitive advantage and improve company profits and performance. Before implementing any HR strategy or approach, HR Managers or practitioners should ask themselves questions such as:

1. Is it reputable? The approach, practice and/or strategy should have a good, credible, respected reputation to enhance and build the internal and external image and culture of the company.
2. Is it relevant? The approach, practice and or strategy should be appropriate to the current period, time, circumstance and environment.
3. Is it realistic? Some HR approaches, practices and strategies are not realistic and non-achievable. A strategy must be achievable and non-ambiguous.
4. Is it reliable? Some HR practices are not trusted. Every strategy, practice and approach should be trusted and well-grounded in principle to support the Organisational goals and objectives.
5. Is it rigorous? HR strategies, approaches and practices should be thorough and carefully crafted.

Table 1 below assesses and summarizes the import of the proposed HRM model by the authors.

Table1. The 5Rs of HRM

Reputable	Relevant	Realistic	Reliable	Rigorous		HR Outcome
Yes	Yes	Yes	Yes	Yes	Sustained Competitive advantage	✓ Effective HR strategy ✓ (sustainable-long termism)
No	No	No	No	No	Competitive Disadvantage	× Non-effective HR strategy
No	Yes	No	Yes	No	Temporary competitive advantage	× Less effective HR strategy (short-termism)
Yes	No	Yes	No	yes	Temporary competitive advantage	× Less effective HR strategy

(Source: Authors' own research 2020)

THE DILEMMA IN HRM

Many HR Managers and practitioners are in a dilemma, not knowing or failing to decide on which approach, strategy or practice to use on reward management, and cross-cultural issues. Furthermore, there is so much indecision on whether to adopt Convergence, Divergence or Cross-vergence.

Rewards Management

Rewards management is the design, implementation and management of policies that aim to provide employees with equitable, consistent and fair rewards in accordance with their value to the

organisation. Rewards are defined as “returns employees get from work” or rewards and returns in exchange value (Newman et al., 2013). This can either be internal or external, intrinsic and extrinsic, explicit or implicit, tangible or intangible, quantifiable or non-quantifiable and financial or non-financial (Manas, 2003). Rewards consist of remuneration, emoluments, bonuses, gift cards, allowances, fringe benefits, profit-sharing arrangements, share options, terminal benefits, and payment in kind, among others.

Reward management is an important and critical issue in HRM. It controls and influences the behaviour of employees (Festing, 2017). Many HR Managers face challenges in deciding which strategy to use for rewarding employees. This challenge is faced by both domestic and international companies. HR managers are in a quandary as to which reward strategy to adopt. This paper has suggested the following aspects to consider when deciding how to reward employees.

Keeping pace with industry or market rates

In this strategy, HR managers reward employees according to the industry and/or market rates in a country. This strategy tends to disadvantage employees. For example, during the Corona virus pandemic, Oil prices slumped sharply, slashing the prices by less than half the previous prices. The second quarter of 2020 was the gravest crisis for the oil industry in hundred years. The under-performance of the oil industries could see poor rewards for employees, even during an economic downturn. In this regard, paying employees according to market performance and trends is unfair and unjusticeable.

Keeping pace with expatriate rates

International companies have a tendency of hiring expatriate staff. Expatriate staff usually comes with extra knowledge, skills and experience which uplift the company's competence and image on the global market. In most cases, these expatriate staffs attract extra cost. HR managers need to decide whether to reward the expatriate staff by keeping pace with the current expatriate rates or let the status quo remain.

Keeping pace with minimum wages

A company may just follow the Minimum Wage Act set in the legal framework. Minimum wages differ from country to country and are not standardized. For example, minimum wages are far lower in developing countries compared to the developed countries so there is a dilemma in deciding wages of staff who are sent from say a developed country to a developing country or vice versa.

Keeping pace with qualifications

This strategy is considered to be one of the most important trends in HRM. However, the twenty first century has proven to society that qualifications alone cannot produce the best productive employees. Qualifications should be accompanied by a mix of personal qualities such as good character, knowledge, competence and specialised skill-sets.

Keeping pace with individual performance and competence skills

It is often said that “The best rewards go to the best performers and the most competent employees”. Best performers and competent employees enhance company profitability. Furthermore, unique skills and competences of employees help to differentiate one company from

another in a competitive market. This strategy has proven to be an effective reward strategy in the twenty first century, adopted by both domestic and international companies.

Keeping pace with Organisational performance

Employees are rewarded according to the company's profit margin. When a company incurs losses, employees are not rewarded. For example, British Airline pilots were asked to take two weeks unpaid leave and further face a reduction in wages as a result of loss of business in the airline industry during the COVID-19 pandemic (Accountancy Daily, 2020). This furloughing can be frightening to most workers who have many prior commitments towards their wages such as servicing loans and mortgages.

CONVERGENCE, DIVERGENCE AND CROSS -VERGENCE OF HRM PRACTICES AND APPROACHES

There are different traditions through which IHRM is conducted such as Convergence and divergence, also referred to as Universalist and Contextual paradigms respectively (Khan, 2011). Convergence (Standardization) involves the use of similar policies, strategies, approaches in the management of human resource from country to country, believing that the HR strategy used in country X can also be used in country Y with similar outcomes.

In contrast, Divergence or Contextual paradigm (localization) seeks to adopt suitable HR policies, strategies or approaches for the local requirements. HR Managers are in a dilemma as to whether to adopt convergence or divergence approaches in managing multinational firms (Brewster et al., 2002).

Convergence

The convergence paradigm believes that the world will converge at the point of all countries adopting the western culture (Barachina, 2019). Standardizing HRM practices, strategies and approaches worldwide supports this concept of convergence of adopting one universal culture. According to Strategic Management (2017) the convergence theory became very dominant between the 1950s and 1960s in the developed world (Europe and USA) in the belief that as people interacted globally, a global culture would emerge and thus the world would adopt a universal management approach. Notably the most successful convergence approach is the use of ICT across the globe. For example, companies across the globe are using ICT in the recruitment process with the same IT protocols.

The need for superior economic output, competitive advantage, and excellence has been the main motives behind the convergence theory in IHRM (Barachina 2019). As a result of the need to achieve excellence and great economic output, HR managers are driven to use strategies and approaches that have been proven to be effective in history. This reduces risks and is proven to be more cost-effective. The culture of ethnocentrism has also caused HR managers to adopt the Convergence theory. These managers believe that their home practices are the best. The main disadvantage of the Convergence theory is that it can cause conflicts between home culture and management practices. According to Friedman (2005), three historical events triggered convergence. These are as follows.

Globalisation 1.0

This form of globalisation also known as globalisation of countries started in 1429 and ended around 1900 at the end of World War 1. It drove northern and southern industrialization (Friedman, 2005).

Globalisation 2.0

This form of globalisation, also known as globalisation of multinational Companies, began after World War 2 and ended in the year 2000. This form of globalization brought about unified market economies such as the European Economic Commission (EEC), Common Market for Eastern and Southern Africa (COMESA), and North America Free Trade Agreement (NAFTA), among others (Friedman, 2005)

Globalisation 3.0

Globalisation of people leapt up in the 20th century after the booming of ICT. This form of Globalisation has shrunk the world to a tiny size. It brought about a greater GDP for the G7 countries. Globalisation 3.0 has been the greatest convergence of these three convergences, bringing about positive economic development around the world (Friedman, 2005).

Divergence

The Divergence paradigm accentuates on the need to embrace different HRM approaches and strategies that suits the home country, circumstances and company goals (Barachina, 2019). This theory emphasizes that there will always be cultural diversity around the world (Khan, 2011). Numerous religious faiths and their followers will not agree to one HR concept regardless of the international context.

The proponents of this theory stress that even though there is a rise of human interaction across the globe thereby integrating different cultures, differences across nations remain. Therefore, the adoption of IHRM practices, strategies and approaches should depend on national cultural traits such as power distance and individualism. Other environmental factors such as political, economic and technological factors should also be considered. Nations have different political, economic, and technological factors, hence the need for divergence.

Cross-Vergence

According to Warner (2013) the commonest HR approach used by MNCs is Cross-vergence. This approach combines both Convergence and Divergence methods. Convergence is mostly applicable in the provision of indicators with best approaches and practices. However, it tends to be unsuccessful in different cultures. On the other hand, Divergence is suitable for managing different cultures. However, it fails to yield good results when used in isolation. The use of Cross-vergence allows managers to decide to what extent they will go the Divergent way and what extent they will go the Convergent way (Khan, 2011). Therefore, HR managers must strike an optimum balance between HR practices to yield best outcomes.

Cross-Cultural Issues

Culture is defined as the shared patterns of understanding in a society (Hofstede, 2004). IHRM is faced with multiple cross-cultural issues. This is because cross-border business is exposed to different cultural environments which are characterised by different players with unique beliefs,

values, behaviours and unfamiliar languages (Charles et al., 2018). For example, Germany, France, China and Japan all have different management styles according to their cultures as detailed in Figure 3 below.

MANAGEMENT STYLES ACROSS FOUR DIFFERENT CULTURES



Figure 3: Management styles across four different cultures

(Source: Schneider, 2004)

HR Management for different cultures can be a challenge if not well-planned and managed. Therefore, HR managers for MNCs need to understand the influence of culture on IHRM. They also need to understand whether culture follows a Divergent, Convergent or Cross-vergent path (Barachina, 2019). Hofstede (1980) identified four cultural dimensions in different countries namely individualism and collectivism, power distance, uncertainty avoidance, and masculinity versus femininity.

Cited in Schneider (2004) Edward T Hall, an anthropologist, further distinguished time perceptions with polychronic and monochronic cultures, and low and high context communication cultures. IHRM also encounter business partners and customer who have different behaviours and norms. For example, Japan has a cultural norm of bowing both in business and personal setup as a sign of respect as depicted in the photo in Figure 4 below.



Figure 4: Japanese Foreign minister and the US trade representative both bow before a meeting in 2004

(Source: Hill et al., 2014)

Cultural differences influence HR management, and if not well managed, they can negatively affect company goals and result in workplace conflicts. Some of the common cross-cultural issues in HRM include:

Deal Vs Relationship Orientation Culture

In a deal-oriented culture, managers believe in executing tasks whilst avoiding preliminaries and small talks. Deal-oriented cultures believe in having a legal contract. Nations with such cultures include Australia and Europe (Charles et al., 2018). In relationship-oriented cultures, managers believe in setting up trust through strong relationships. Relationship-oriented cultures kick-start business without legal contracts. The relationship-oriented cultures include China and Japan. In relationship-oriented cultures, relationships are more important than deals. HR managers for MNCs hosted in countries with these different cultural traits have to decide which culture will suit the desired company outcome.

Power distance

This is a description of how society deals with power inequalities (Hofstede, 2004). High power distance societies have a substantial difference between subordinates and managers.

Low power distance societies have almost equal rights between subordinates and managers (Hofstede, 1980). The main focus for low power distance societies is to achieve one common goal. Germany, UK, Norway and the US have low power distance whilst countries such as China and most African countries have high power distance cultures. A company headquartered in the UK with a presence in an African country is most likely to face challenges in mixing the two cultures. This is where the question of Ethno-centrism, Geocentrism, Polycentrism and Regio-centrism are applied.

Polychronic and Monochronic time perceptions

This is the non-flexible and flexible time perceptions of different societies (Schneider et al., 2014). Societies which are rigid and not flexible to time are too focused on time as a resource. The rigid cultures on punctuality and schedules are referred to as Monochronic societies (Charles et al., 2018). The monochronic cultures see time as linear, whereby people adhere strictly to deadlines whereas societies which are non-linear and are flexible to time are referred to as polychronic cultures. Polychronic cultures see time as elastic. HR management approaches and practices might differ for a company headquartered in Germany and has presence in China. The choice of which culture to adopt should suit the company's goal, help it maintain a competitive advantage, and be able to satisfy customer needs and expectations.

Individualism and Collectivism

Societies are either believed to function as individuals or as collectivist groups (Hofstede, 1980). The Scandinavian countries such as Sweden believe in functioning as individuals, whilst some parts of East Asia, Latin America and Africa believe in functioning as collectivist groups (Hofstede, 2004). HR managers for MNCs have to decide on which strategy its employees will adopt. The challenge can be visualised by say an MNC which is headquartered in Denmark and has presence in South Korea. Denmark has a highly individualistic culture whereas South Korea is a highly collectivist culture. HR managers for such an MNC will have to decide the HR strategy to adopt in such a business set-up.

Low and High Context Communication

According to Schneider (2014), low context cultures believe in verbal rhetoric and elaborate communication. Communication for such cultures is explicit and direct with possible reference to legal contracts during negotiations. Such cultures do not beat around the bush. The UK, North America, Germany and Scandinavian countries are typical examples of such low context cultures (Vaughn, 2010).

The high context cultures on the other hand believe in gentle communication which is not direct to the point (Charles et al, 2018). Such cultures believe that saying "no" can hurt the other party involved in a business negotiation. They prefer a polite and indirect way of communication to show a sense of respect and care for others. Countries with such cultures include China and Japan. Communication plays an important role in HRM. Explicit and implicit communications tend to have an impact on HR outcomes such as convergence and divergence. Figure 5 below captures some of the Low Context and High Context countries.

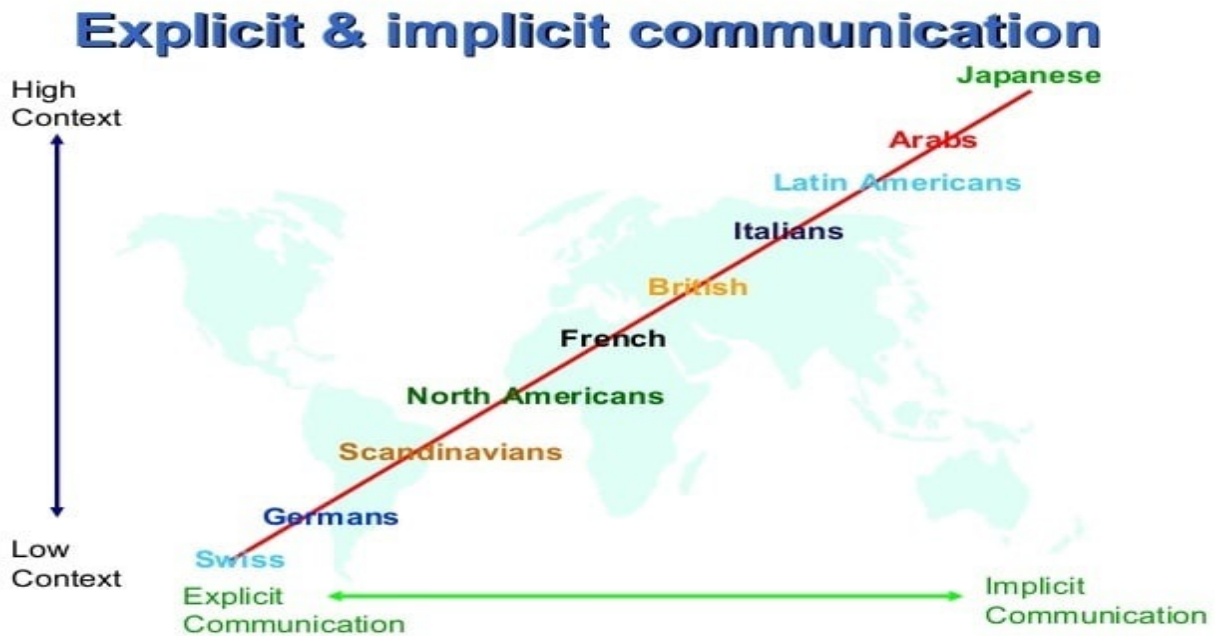


Figure 5: Explicit and implicit communication cultures.

(Source: Hill et al, 2014)

HR managers need to have a strategy on how to manage such multi-cultures. They should be able to effectively operate and function in a cross-cultured environment. According to Ang (2007), the ability to function effectively in a cross-cultured environment is called cultural intelligence (CQ). Cultural intelligence in business is also known as “cultural quotient”. People with high CQ adjust easily to different cultures. HR Managers need to train staff to be able to function in a multi-cultured environment.

Sadly, cultural intelligence training is not offered in many organisations. The lack of CQ training to staff is a cause of many workplace deviant behaviours. Azavand (2013) stressed that poor grasp of cultural intelligence has an effect on Organisational commitment. According to Earley (2004) there are four cultural intelligence dimensions which need to be imparted to employees.

Cognitive CQ

Employees should be well trained in the various norms and values of the cultural society they operate in. Cognitive CQ is the level at which an individual has knowledge of the various norms and values of a society (Doreen et al., 2017).

Metacognitive CQ

Employees need to be trained to be conscious in a cross-cultured environment, carefully thinking and choosing what to say when having interactions with people from different cultures, without offending their culture. Metacognitive CQ is an individual’s cultural awareness when interacting in multi-cultural settings. It identifies the level at which an individual will use strategies applicable to a different culture for them to adapt (Doreen et al., 2017).

Motivational CQ

Employees need to be trained to have the drive for working in multi-cultured environments.

Behavioural CQ

Employees need to be trained to have the ability to exhibit appropriate non-verbal and verbal actions when interacting with people from different cultures.

REPUTABLE HUMAN RESOURCE STRATEGIES, PRACTICES AND APPROACHES**Valuing People**

A reputable HR practice values people by appreciating them and demonstrating care, fairness, humanity, empathy and compassion towards them. The humanity for people is also referred to as “ubuntu” in African philosophy (Tworeck et al., 2017).

Valuing Culture

A reputable HR approach or practice should be one which values culture such that there is no cultural bias in HR management. Cultural bias can be avoided by using self-reference criterion, viewing other cultures in a lens of your own culture.

Furthermore, the use of critical incident analysis (CIA) can also be applied to prevent cultural bias. CIA is an analytical tool that is used in cross-cultural management to manage awkward situations in cross-cultural interactions by showing empathy to the other person’s views (Charles et al., 2018).

Involving people

Reputable HR practice engages people in managing the workplace. This involves giving listening ear to suggestions and ideas. It also involves letting people have a voice in all aspects and involving them in key decisions that have an impact on their welfare. Decision-making is a people-centred activity that requires input of people’s perspectives. The involvement of employees in decision making is also referred to as High Involvement Management (Hornstein, 2017).

Continuing Human Resource Development (HRD)

An HR practice, strategy or approach cannot be reputable without competent people. There has to be continuous human resource development to develop people’s competence, knowledge and skills. The key word is “continuous”. HRD must be continuous to keep up with the pace of constant technology advancements and to meet market needs (CIPD, 2014). Competent employees are a unique resource and capability which enhances a company’s competitive advantage (Dowling et al., 2013).

Fostering innovation and learning

There is a continuous shift in the pattern of business. Companies which do not foster innovation fall out of the market easily. Such companies are easily replaced by highly innovative companies. For example, Nokia was the market leader in the phone industry but it encountered a quick and sharp decline partly because of lack of innovation and learning and slow response to market needs and technological advancements.

Fostering Equality

HR practices, approaches and strategies should foster equality based on criteria of wages, age, gender, race, disability, sexual orientation and all other forms of discrimination in a workplace. Connell (2005) echoes the need of having equality in the HR approach as that boosts the company's internal and external reputation. Furthermore, pursuing equitable HR policies has positive influence on Organisational productivity and employee satisfaction.

Fostering well-being

The well-being of people should be at the heart of HR management (Simone, 2014). Well-being creates an art of contentment which can benefit the organisation, employees and customers. Effective well-being delivers mutual benefits to communities, economies, organisations and people. Well-being helps people to reach their full potential and for them to flourish (CIPD, 2016).

Managing talents

Reputable HR practices should have good talent management strategies, a strategy that motivates people and entices them to be more committed. According to Ifeoma (2015), managing talent is important for Organisational success. Identifying those with high potential, core contributors, critical resources, under-achievers and under-performers can help manage HR effectively. All these must be managed without bias, offering coaching to the under-achievers and under-performers.

HRM APPROACHES

Geocentric

The Geocentric Approach uses an international recruitment criterion. HR managers for MNCs hire the most-fitting candidate regardless of nationality. Tiwari (2013) stressed that this approach attracts the most-talented workforce and puts the company in a better competitive advantage position. However, this approach is very costly because managers are recruited from all over the globe. A parent company in the UK will hire managers from the US, Canada, Sweden and a Subsidiary based in the US will also hire employees from different countries. The Geocentric Approach is illustrated in Figure 6 below.

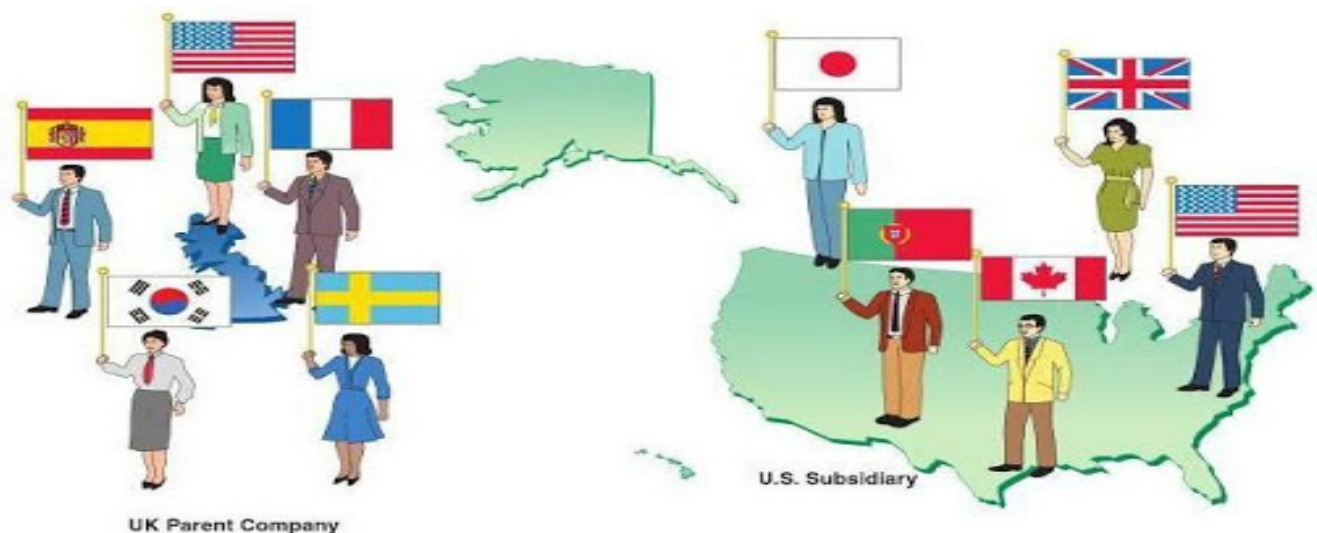


Figure 6: Visual image of the Geocentric HRM approach.

(Source: Human Resource, 2018)

Polycentric Approach

According to Techo (2016) the polycentric approach is the recruitment of managers from the host country. The rationale for this approach is that local managers from the host country understand the culture and are in a better position to run the business operations successfully (Barachina, 2019). It is easy for local managers to adjust to the environment as compared to expatriates. This approach is also cost-effective as it increases staff morale. The productivity of staff also tends to be better because staff is more knowledgeable about the culture and other business environmental factors.

However, this approach brings about poor communication between the parent and the host country due to language barriers. For example, an Australian parent company hires Australian managers whilst its subsidiary company in India hires Indian managers. The two countries will have cultural and language differences which will act as a communication barrier and hence affect HR outcomes. Figure 7 below gives a pictorial representation of the Polycentric approach.

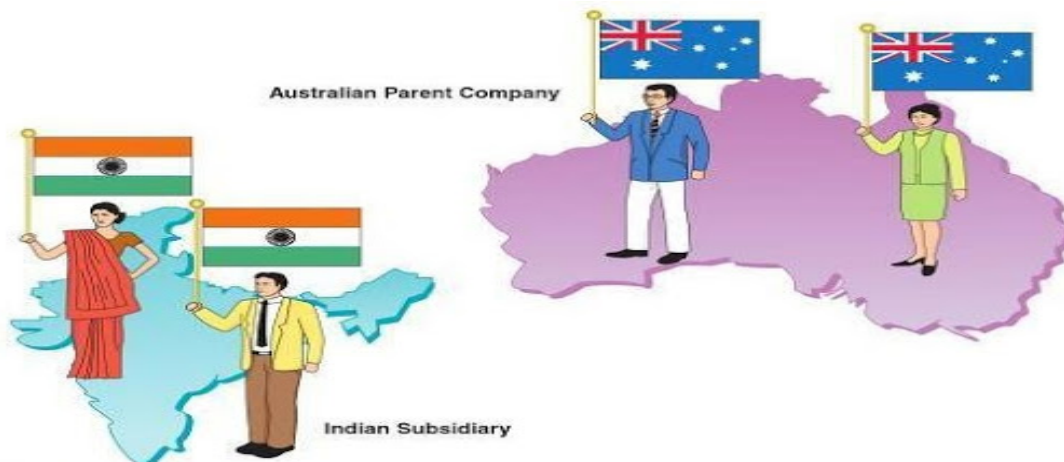


Figure 7: Visual Image of the Polycentric HRM Approach.

(Source: Human Resource, 2018)

Ethnocentric Approach

The Ethnocentric Approach illustrated in Figure 8 below believes in using one standard culture in HR practices from the parent country in subsidiary host countries (Perlmutter, 1969). The rationale behind this approach is that the culture from headquarters is deemed to be the best for all other host countries. Recruitment of managers is done at headquarters. This HR approach has central control. The main advantage is that there is better coordination of operations between headquarters and host countries (Barachina, 2019). Furthermore, there is better and enhanced communication between headquarters and host countries. There is also uniformity in goals and objectives.

However, this approach might have cultural conflicts and clashes between the headquarters and the host country. The rate of failure of this approach is very high as compared to other approaches. For example, company X is headquartered in the US with a subsidiary in Mexico. It hires managers from the US to operate in Mexico and at the same time adopts US culture in its subsidiary operations in host countries. This leads to cultural imperialism and resistance from host country employees.

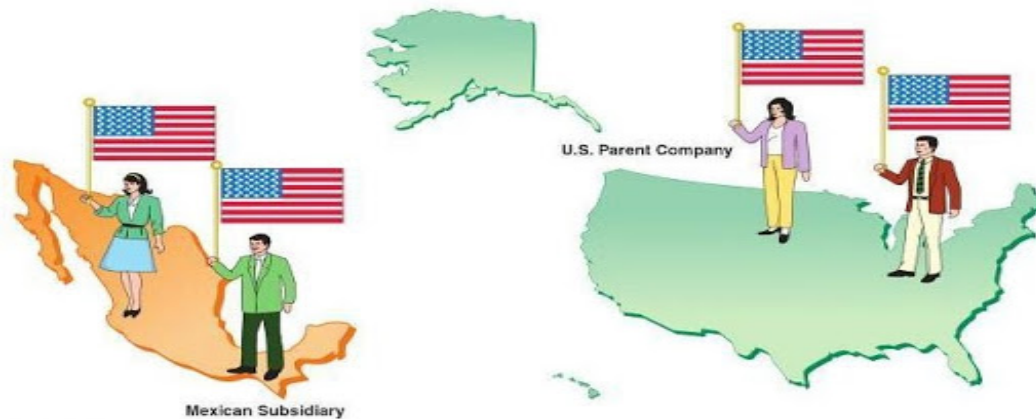


Figure 8: Visual Image of the Ethnocentric HRM Approach.

(Source: Human Resource, 2018)

Regio-centric Approach

The selection and recruitment of managers from different countries within the same geographic region is termed a regio-centric approach as illustrated in Figure 9 below (Barachina, 2019). This tends to be less costly because hiring is done within the region where the people tend to have similar cultures and travel distances are shorter for those recruited. There is also cultural fit for such managers because they operate within the geographic region they originate from. The shortfall for this approach is that there might be communication barrier with the host country due to differences in languages. There might be confusion between global and regional objectives. Furthermore, the managers might not have international experience. The Regio-centric approach is depicted in Figure 9 below.

The main rationale behind this HR approach is cultural fit as managers from the same region of the host country are knowledgeable about market trends in the region. For example, company X which is headquartered in the US will hire its own managers from the US whilst its subsidiary in Italy will hire managers from different countries based in Southern Europe.

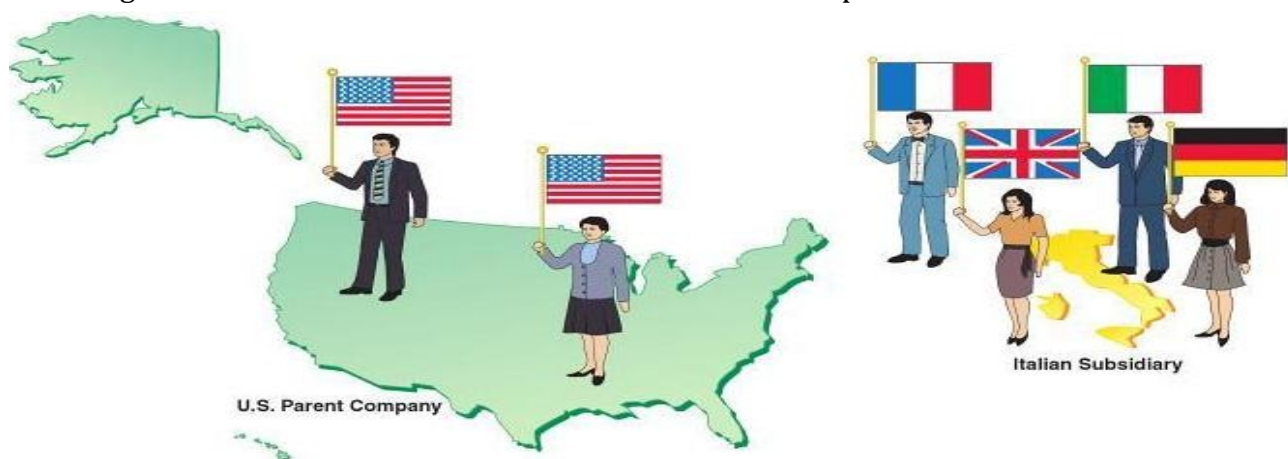


Figure 9: Visual Image of the Regio-centric HRM Approach.

(Source: Human Resource, 2018)

CONTROL OR COMMITMENT HR SYSTEM

Traditional HRM practices focus on control. HR Management systems are now shifting to a more flexible HR system in order to yield greater outcomes and improve competitive advantage. The commitment system encourages employees to be more committed to work and loyal to their employer, thus they become more productive. Enhanced employee performance and productivity has positive internal and external outcomes. The High Commitment Work System (HCWS) engenders high levels of autonomy and sense of belonging for employees (Innocenti et al., 2016).

The introduction of High-Performance Work System (HPWS) came into play after the High Commitment Work System (HCWS) (Heyley et al., 2007). Both HPWS and HCWS aim at enhancing a consistent and coherent HR system which promotes high performance work culture in order to achieve corporate goals.

The Commitment HR system involves much of the “High Involvement Management System” (HIMS) which seeks more dialogue in the workplace (Hornstein, 2017). The systems of control or commitment have proven to yield different results for local companies and MNCs in the post-bureaucratic era. The commitment system has proven to work more effectively for local companies whilst the control system has proved to be more effective for MNCs (Shaozhuang et al., 2016).

Both local companies and MNCs can adopt both systems at the same time. The choice of which system to adopt depends on the company’s internal and external environments. This paper suggests that there is no standard recommended system to follow as it all depends on the exigencies of the situation. However, HR managers need to analyse which system would suit their company depending on the nature of their company’s culture, desired results, and specific circumstances for both internal and external environments.

CONFORMITY OR COMPROMISE

Conformity is the inclination for employees to obey standard rules and holding on to strategy, conduct or procedures of the organisation by following the act of doing things the usual way in HR. On the contrary, compromise is the act of doing things in an unusual way, drifting from procedures, strategies and standards in HR. HR practices need to conform to HR guidelines set by the government for a respective country. However, conformity does not apply to all HR functions. For example, the adoption of ethnocentric, geocentric, polycentric and Regio-centric HR approaches will depend on the parent company’s decisions rather than the host country’s requirements. Foreign investors in Africa with heavy investments usually cut deals with local immigration departments on HR issues concerning use of expatriates in host countries. However, in the EU, this does not apply as they follow uniform labour practices across EU countries. Furthermore, Convergence, Divergence or Cross-vergence of the HR function also depends on situations faced by the parent company. Situations differ in HR from company to company, country to country, and region to region. Therefore, either conformity or compromise can be adopted depending on the situation at hand.

Before adopting conformity or compromise strategy, HR must carry out a situation and culture fit analysis. A set of questions will have to be administered before making such a decision. Is the strategy fit for the desired outcome? Is the strategy reputable, relevant, realistic, reliable and rigorous? What are the Macro and Meso-environmental factors?

HARVARD HR MODEL

The Harvard HR Model is a soft HR model that concentrates on the outcome of people with much emphasis on their wellbeing and company commitment (Beer et al., 1985). A company using this model would aim to ensure that employees are involved in decision making and that there is continuous engagement of employees.

According to Babalola et al. (2018), this model proposes that labour and personnel activities can be handled under HR management. This model also supports the 4Cs namely Commitment, Competence, Congruence and Cost-effectiveness. It suggests that HRM depends on strategies for winning the commitment of employees rather than strategies for controlling them. It makes use of the best HR policies and reward systems to influence employee commitment and thus promote individual and societal wellbeing, as well as enhancing Organisational effectiveness. Figure 10 below is a diagrammatic representation of the Harvard HR Model.

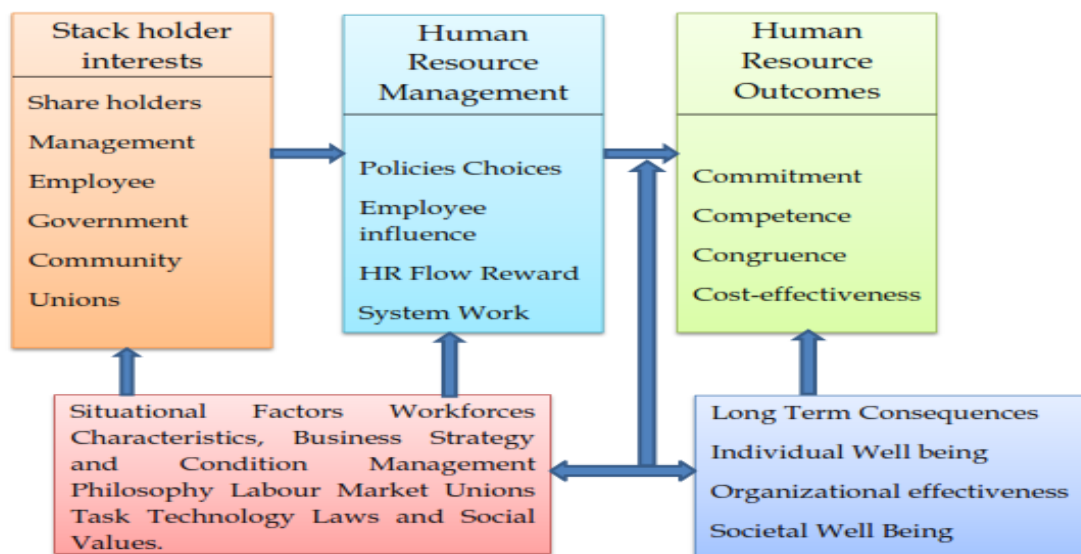


Figure 10: Harvard HR Model

(Source: Srinivas, 2005)

EVALUATION OF HR STRATEGIES, APPROACHES AND PRACTICES FOR EFFECTIVENESS

The HR function must have self-evaluation to determine how effective its strategies, approaches and practices are. The desired HR outcomes are commitment, competence, congruence and cost effectiveness (Babalola et al., 2018). These are all referred to as 4Cs of the HR function.

Commitment

This is a test of how dedicated employees are towards duty. Dedicated employees yield positive results, thus adding a competitive advantage. If employees are committed to work, it means HR strategies, approaches and practices are effective.

Competence

This is a test on whether employees have up to standard abilities, skills and knowledge to be able to perform tasks effectively. Recruiting and maintaining employees with good abilities, skills and knowledge is a proof that HR managers for the company are efficient.

Congruency

This tests whether all employees work towards one common goal. Company operations must be in harmony and compatible with company goals and objectives. All functional units must be consistent, compatible and conform to one common goal. A divided workforce is proof that HR practices, approaches and strategies for the company are not effective.

Cost Effective

All operations and outputs must be cost- effective. Operations and outputs must have the lowest cost inputs by making the best use of Human Resource to have efficiency in all operations.

CONCLUSION

This paper concludes that both Domestic and International Human Resource Management should focus on having reputable, relevant, realistic, reliable and rigorous HR approaches, strategies and practices. HR managers should avoid the blind adoption of approaches and strategies without critically analysing both Macro- and Meso-environmental factors. The advancement in technology during the 21st century calls for having open-minded HR managers who can quickly change and respond to market needs and demands. There is no standard HR strategy and approach that should be adopted across all organisations. This is because of cultural differences and peculiar industry needs that vary from place to place. However, the choice of the strategy and approach depends on environmental factors surrounding the Macro, Meso and Micro levels in HRM. It is clear that strategies and approaches work differently for different organisations, hence the need to avoid the copycat of strategies and approaches. The dilemma for IHRM is having a balance between local autonomy and international consistency hence most HR managers adopt the cross-vergence approach. HR approaches and strategies must fit the overall business strategy in order to achieve company goals and gain the desired competitive advantage.

References

1. Ang, S., VanDyne, L., Koh, C., Yee, K., Templer, K., Tay, C. & Chandrasekar, N. (2007). Cultural Intelligence and Cultural Heterogeneity on team shared values. *Journal of Cross-cultural Psychology* Vol.44 No. 6 pp. 941-962.
2. Accountancy Daily (2020) Covid-19: British Airways Furloughs 30,000 and Puts Pilots on Half Time. Available at: <http://www.accountancydaily.com> [Accessed 20th April 2020].
3. Adriaenssen, D., Johannessen, J. & Saetersdal, H. (2016). How can we improve the effectiveness of HRM strategy? A model for future research. *Problem and Perspectives in Management* Vol. 14 No.2 pp.175-182.
4. Ahmad, T. (2017). Personnel Management to Human Resource Management (HRM): How HRM Functions? *Journal of Modern Accounting and Auditing* Vol.13 No.9 pp.412-420.
5. Azavand, J., Feizi, M., & Alipour, H. (2013). Surveying the relationship between cultural intelligence and Organisational commitment at Islamic Azad University. *Arabian Journal of Business and Management Review* Vol. 3 No.3 pp.78-84.
6. Babalola, O., Patience, E., Afolabi, O., Sola, S., & Femi, O. (2018). Adoption of Human Resource Management Policies and Practices: Harvard Model Versus Religious Model. *Business and Management Research* Vol.7 No.1 pp. 52-60.
7. Barachina (2019). International HRM- How should employees be managed in an international context? Pablo de Olavide University Spain.
8. Beer, M., Spector, B. Lawrence, P., Mill, D., & Walton, R. (1985). *Human Resource Management: A General Manager's Perspective*. NY: Free Press.
9. Brewster, C., Harris, H., & Sparrow, P. R. (2002). *United Nations. People Management* Vol. 8 No. 14 pp. 32-34.

10. Connell, P. & Russell, H. (2005). Equality at work? Workplace equality policies, flexible working arrangements and the quality of work. Economic and Social Research Institute.
11. Charles, W., Hill, L. & Hult, T. (2018). Global Business Today. (10th ed.). N.Y.: New York McGraw Hill Education.
12. CIPD (2016). Promoting Health and Well-Being in European Workplaces. EU Briefing.
13. Caligiuri, Lepak, D., Banache, J. (2010). Managing the Global Workforce. Wiley.
14. Dowling, P. J., & Welch, D. E. (2004). International Human Resource Management. Managing People in a Multinational Context (4th ed.). London: Thomson Learning
15. Dowling, P., Festing, M., & Engle, A. D. (2013). International Human Resource Management. (6th ed.) Cengage Learning.
16. Doreen, G., Carole, A., Claudette, C., (2017) The Impact of Metacognitive, Cognitive and Motivational Cultural Intelligence on Behavioral Cultural Intelligence. *International Business and Economics Research Journal*. Vol.16 No. 3. pp. 223-230.
17. Earley P.C & Mosakowski E. (2004). Cross-Cultural Management: Cultural Intelligence. *Harvard Business Review*.
18. Friedman, T. (2005). *The World is Flat: The Globalized World in the Twenty-first Century*. London: Penguin Books.
19. Findlay, P., Kalieberg, A., & Warhurst, C., (2013). The Challenge of Job Quality. *Human Relations* Vol.66 No.4
20. Festing, M. & Tekieli, M. (2017). Global Reward Management.
21. Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal* Vol. 38 No.3 pp. 635-672.
22. HumanResource.(2018).InternationalHRMAvailableat<http://www.whatishumanresource/global-human-resource-management> [accessed 20th April 2020]
23. Hofstede, G.H., (2004). *Culture's Consequences: International Differences in Work-Related Values*. Thousand Oaks, CA: Sage (Revised Edition).
24. Hofstede, G. (1980). *Culture's Consequences*. London: Sage Publications.
25. Hornstein, H. (2017) Building an ethical culture in the post-bureaucratic era: Empowerment, Dialogue and Virtue.
26. Harley, B., Allen, B. C., & Sargent, L. D. (2007). High performance work systems and employee experience of work in the service sector: The case of aged care. *British Journal of Industrial Relations* Vol. 45 No.3 pp. 607-633.
27. Hill, C., Udayasankar, K., and Hou, W. (2014). *Global Business Today*. 8th Ed. Mc GrawHill Education.
28. Ifeoma, O., Purity, N., & Okoye, C. (2015). Effective talent management: key to organisational success. *Journal of Policy and Development Studies* Vol, 9 No. 2 pp. 95-106.
29. Innocenti, L., Sammara, A. & Profili, S. (2017). From Control to Commitment work systems. The role of HRM in post-bureaucratic transition. LUISS Business School.
30. Khan, S. (2011). *Convergence, Divergence or Middle of the Path: HRM model for Oman*. Sultan Qaboos University, Oman.
31. Pinameneni, A., Xu, & Findley, P. (2017) *Strategic Human Resource Management*.
32. Perlmutter, H. V. (1969). The Tortuous Evolution of the Multinational Corporation. *The Columbia Journal of World Business*, Vol.4, pp.9-18.
33. Rifkind, J. (2000). *The Age of Access: The New Culture of Hypercapitalism where All Life is a Paid-for Experience*. New York: Thatcher Putnam.
34. Saha, N. (2017). Organisational agility and HRM strategy: Do they really enhance firm's competitiveness? *International Journal of Organisational Leadership* Vol. 6 pp. 323-334.
35. Schneider S, Barsoux J & Stahl G. (2014). *Managing Across Culture* (3rd ed.) London: Pearson Education

36. Schuler, R.S. & Jackson, S.E. (2005). A quarter century review of human resource management in the US: the growth in importance of the international perspective, *Management Review* Vol.16 No.1 pp. 11-35
37. Shaozhuang, M., Silva G, & Victor J. (2016). Control and Commitment HR practices, Job Satisfaction and Turnover Intentions: A Comparison between Local and Multinational Firms in China. *The International Journal of Human Resource Management*. Vol. 27 No. 9 pp.974- 990.
38. Simone, S. (2014). The Affective Component of Workplace Wellbeing in Organizational Behaviour Studies. *American International Journal of Contemporary Research* Vol. 4 Issue 9 pp. 38-43.
39. Srinivas R. Kandula (2005). *Human Resource Management in Practice with 300 Models, Techniques and Tools* New Delhi, Prentice–Hall of India Private Limited.
40. Storey, J., Ulrich, D. & Wright, P.M. (2009). Introduction, in Storey, J., Wright, P.M. and Ulrich, D. (Ed.). *The Routledge Companion to Strategic Human Resource Management*, London: Routledge pp. 3-15.
41. Techo, V. (2016). *International Staffing – Strategic Considerations for Different World Regions*. Horizons University.
42. Tworeck, C., Hemminga, D. & Dhillon, D. (2017) *The Ubuntu Philosophy as a Management Strategy*. ResearchGate.
43. Tiwari, N. (2013). *Managing Human Resources in International Organisations*. *Global Journal of Management and Business* Vol. 3 No.4 pp. 355-360.
44. Verma, M. (2014). HRM strategy and its role in Knowledge management. *Interacting ICT in Academic Libraries* pp.496-504.
45. Vaughn L., (2010). *Psychology and Culture: Thinking, Feeling and Behaving in a Global Context*: Taylor & Francis Publishing.

Acknowledgements

The authors of the article acknowledge efforts from the editorial team and the support received from family and friends as well as fellow researchers in academia.

Funding

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors. It was funded from our own personal resources.