# CONTEXT-BOUND CONFIGURATIONS OF CORPORATE HR FUNCTIONS IN MULTINATIONAL CORPORATIONS

**ELAINE FARNDALE, JAAP PAAUWE, SHAD S. MORRIS, GÜNTER K. STAHL, PHILIP STILES, JONATHAN TREVOR, AND PATRICK M. WRIGHT**

*Considerable attention has focused on how multinational corporations (MNCs) deal with the simultaneous pressures of globalization and localization when it comes to human resource management (HRM). HR function activities in this process, however, have received less focus. The study presented here identifies configurations of the corporate HR function based on international HRM (IHRM) structures, exploring how issues of interdependency shape corporate HR roles. The study is based on 248 interviews in 16 MNCs based in 19 countries. The findings are applied to develop a contextually based framework outlining the main corporate HR function configurations in MNCs, including new insights into methods of IHRM practice design. © 2010 Wiley Periodicals, Inc.*

*Keywords:* human resource function, interdependency, international human resource management, multinational corporations, organization context

## Introduction

As corporations continue to globalize and their boundaries are no longer limited to the domestic setting, this raises new challenges for the HR function. The reach of the 2008 financial crisis on the global platform is a case in point: Organizations faced a crisis situation with many major world economies in recession. Given this context, in which international expansion is being tempered by financial pressures to regain stability, questions arise about HRM in multinational settings and how the HR function can best

structure itself to be most effective at various site, country, regional, and corporate (headquarters) levels. Issues of interdependence, interaction, and standardization versus leeway for adapting to the local context (customization) become critical in this context (Evans, Pucik, & Barsoux, 2002; Taylor, Beechler, & Napier, 1996).

Given this international environment, new roles for corporate HR departments operating in multinational corporations (MNCs) are emerging. Corporate HR (also known in organizations as international or global HR) can be defined as the HR

Correspondence to: Elaine Farndale, Department of Human Resource Studies, Tilburg University, PO Box 90153, 5000 LE Tilburg, the Netherlands, Phone: +1 814 8673320, E-mail: farndale@uvt.nl.

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function based in the corporate headquarters, which often houses specialists in HRM functions such as remuneration, management development, staffing, and employee relations. In this role, corporate HR focuses on global HR policies, especially for top management and expatriates (Kelly, 2001; Novicevic & Harvey, 2001; Scullion & Starkey, 2000; Sparrow, Harris, & Brewster, 2003). These activities require roles such as "effective political influencer" (Novicevic & Harvey, 2001, p. 1260), "champion of processes" (Evans et al., 2002, pp. 471–472), "guardian of culture" (Sparrow et al., 2003, p. 27), and "knowledge management champion" (ibid., p. 24). These roles are emerging in addition to the more well-known HR role typologies that focus on the strategic involvement of HR: managing change, the relationship between employer and employee, and transactional personnel administration (see, e.g., Guest, 1990; Legge, 1978; Monks, 1992; Storey, 1992; Tyson & Fell, 1986; Ulrich, 1997; Ulrich & Brockbank, 2005). Traditional roles have been based largely on corporate strategy and HR activities without specifically referencing international operations (Conner & Ulrich, 1996). The new roles listed here, on the other hand, emphasize the challenges HR faces amidst cross-border operations spread across the globe.

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Although global HR roles are emerging alongside the more familiar typologies, a lack of theoretical framing of the field remains; in particular, there has been little empirical work at the firm level to explore these new roles in greater depth. To understand further what globalization actually means for the HR function, this study investigates the roles corporate HR plays in designing and coordinating international HRM (IHRM) policies and practices in

MNCs. We seek to uncover configurations based on different IHRM strategies and structures.

The paper starts by outlining extant typologies of HR department roles, exploring their association with the context in which they were devised. The modern-day context of MNCs operating in a global market is then considered as well as the emerging roles of corporate HR departments. We then present the results of 16 in-depth case studies of high-performing MNCs. These case studies are designed to identify the extent to which IHRM strategy differs across divisions and countries, the interdependencies between corporate HR and HR departments in other areas of the business, and the most common roles the corporate HR function fulfills. The qualitative data findings are summarized to build a contextually based framework of how corporate HR departments in MNCs can be configured.

## HR Department Roles in Context

There are multiple typologies of HR department roles developed largely either in the United Kingdom or the United States. The UK models consider the extent to which departments are either reactive or proactive (Legge, 1978), the level to which they are involved in corporate strategy (Tyson & Fell, 1986), or a combination of the two dimensions (Guest, 1990; Storey, 1992). In the United States, we see similar themes. Schuler and Youngblood (1986) first identified five broad roles, which Carroll (1991) further developed, acknowledging that traditional HRM service roles are still required, but that more emphasis in the future would be placed on linking roles to organizational performance. Ulrich (1997) expanded this work when he focused on the people/process and strategic/operational dimensions of HR, later developed further to focus on HR leadership (Ulrich & Brockbank, 2005).

Although these typologies appear to imply universality and finality from their UK or U.S. base, this will not always be appropriate. For example, Monks (1992) suggested

that in stable environments, a simple model of HRM practice will suffice; it is only in complex organizations, particularly those undergoing substantial change, where a more sophisticated approach is required. Other commentators support this link between the nature of HRM practices and the needs of the national or organizational context (Carroll, 1991; Farndale & Paauwe, 2007a). In exploring international HR roles, it is therefore essential to understand more about the MNC context. We address this first by focusing on different IHRM strategies and structures, and then exploring the different corporate HR roles to build our theoretical framing of HR configurations.

## International HRM Strategies and Structures

Reasons for global expansion vary among MNCs, but predominantly they seek to increase competitive advantage by realizing economies of scale or scope (Harzing, 2004a). This means stages in the process of internationalization exist, and choices are available in the strategies and related structures to be adopted. The range of internationalization strategies are described in Bartlett and Ghoshal's (1989) well-known classification: in *international* strategy headquarters (HQ) and subsidiaries work together primarily as a loose federation focusing on technology transfer, in *multidomestic* strategy control is (largely) decentralized and subsidiaries conform to local practices, in *global* strategy control is centralized and subsidiaries resemble the parent company, and in *transnational* strategy subsidiaries and HQ alike adhere to worldwide standards as part of the organizational network. In general, as firms move from an international to multidomestic to global to transnational strategy, coordination complexities increase—emphasizing the dependence of subsidiaries on HQ and interdependence among peer subunits and between subunits and HQ.

In line with corporate strategy, IHRM strategies and their related structures evolve over time as the firm, top management, and

the IHRM systems themselves change (Taylor et al., 1996). Taking a structural perspective, a tendency for strong *dependence* of subsidiaries on HQ is likely to exist in a number of scenarios. First, for firms starting the internationalization process, the common approach is for HQ to take a controlling role (Evans et al., 2002). Second, it has been found that the country in which an MNC originates creates a distinctive approach to internationalization. For example, U.S. country-of-origin firms most commonly take a global approach, where the HQ controls the subsidiaries' activities (Edwards, 2004, p. 396). Third, HQ dependence is expected where a high degree of similarity exists between the HQ and the subsidiary's environment because of the lack of a need to differentiate (Gooderham, Nordhaug, & Ringdal, 1999). Finally, HQ is likely to maintain control over a subsidiary that is a source of a critical resource (such as highly specialized talent) within the company (Taylor et al., 1996). Subsidiaries are more likely to be independent of the HQ where a large gap exists between the parent and host country in terms of national characteristics because of the difficulty of implementing practices across national borders (Farndale & Paauwe, 2007b; Gooderham et al., 1999).

Dependence is a crucial term here because it shows the extent of mutual intraorganizational reliance between remote subunits and the HQ (Boyacigiller, 1990). In line with Harzing (2004b, p. 53), we define three levels: 1) *independence* of subsidiaries from other subsidiaries and HQ; 2) *dependence*, which signifies a one-way relationship by which the subsidiary depends on HQ; and 3) *interdependence*, which is defined as "the degree to which the performance of functional activities is coordinated or integrated among units located in

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different countries" (Roth, 1995, p. 201) and looks at two-way dependence between HQ and subsidiaries and between peer subsidiaries. This definition largely overlaps with Taylor et al.'s (1996) typology of IHRM strategies: *adaptive*, with independent subsidiaries responsible for practice design; *exportive*, whereby practices developed at HQ are replicated across dependent subsidiaries; and *integrative*, in which interdependent HQ and subsidiaries work together to develop an integrated IHRM strategy across the organization.

The degree to which a subsidiary depends on HQ is largely determined by top-down intraorganizational power, which a subsidiary gains from the formal organizational hierarchy. It is also determined by a bottom-up process of relationship building that creates intraorganizational voice (Bouquet & Birkinshaw, 2008a). This relationship, and hence a subsidiary's centrality within an organization network, differs for different subsidiaries within a single MNC (Birkinshaw & Hood, 1998). Social network theory helps explain this notion of centrality or lack of it: A lack of legitimacy (perhaps due to a peripheral position in the market, large geographical distance from the HQ, or a lack of interaction with HQ) reduces a subsidiary's centrality and hence its ability to control critical resources (Bouquet & Birkinshaw, 2008b).

This level of centrality, however, can evolve over time as operating conditions change (Bouquet & Birkinshaw, 2008b, p. 486). This indicates that as well as a static dimension, dependence is also dynamic and is a result of, among other things, the choices the firm makes regarding its internationalization strategy. Although such choices may be deliberate, evidence of emergent IHRM strategies is likely to be apparent. Deliberate strategies represent the intended plans for

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internationalizing the firm, whereas emergent strategies occur as the firm reacts to the environmental context in which it is operating (Mintzberg & Waters, 1985). The global context may open up new opportunities (e.g., emerging labor markets not previously accessible) or restrict the options available to firms (e.g., through legislative or cultural forces) that affect the firm's ability to continue with its planned strategy. This demonstrates the dynamism of the global context in which these MNCs operate: change is common and a willingness to learn and respond to the firm's context may be a feature on which the success of these global operations depends.

## International Corporate HR Roles

In general, limited attention has been paid to the role of corporate HR in managing MNCs within these dynamic relationships (Scullion & Starkey, 2000). In addition, discussion linking different types of roles to IHRM strategies and structures is lacking, a gap that this study is designed to address. Here we discuss some of the emergent corporate HR roles and consider potential overlaps with IHRM structures in order to develop a heuristic framework to guide further study.

If we consider the different levels of (inter)dependence between HQ and subsidiaries described, we might expect different HR roles and activities to emerge in different contexts. For example, corporate HR is in a position to monitor how global HRM policies are implemented across subsidiaries (Kelly, 2001, p. 543), acting as a "champion of processes" (Evans et al., 2002, p. 472), building commitment, and providing training. We propose here that this role most likely supports HQ *dependent* structures.

In more decentralized MNCs, where subsidiaries operate *independently* from the HQ and global process development is limited, HR is more focused on informal mechanisms of corporate control, such as ensuring future leaders are sensitive to and equipped to deal with global challenges. Where an *interdependent* HQ-subsidiary structure is adopted, the complexity of the organization structure

increases, and the usefulness of formal control mechanisms becomes limited. Here again, informal mechanisms, such as culture management, become more important (cf. Bartlett & Ghoshal, 1989; Doz & Prahalad, 1981). This creates a new role for HR as "guardian of culture" (Sparrow et al., 2003, p. 27), overseeing that global values are implemented.

*Independent* IHRM structures also tend to have a smaller corporate HQ, hence a limited number of corporate HR executives with more limited responsibilities, but still a primary focus on an elite set of top management and expatriates (Scullion & Starkey, 2000). Particularly in this environment, HR needs to be an "effective political influencer" (Novicevic & Harvey, 2001, p. 1260) to manage the internal labor market for global managers.

With *interdependent* approaches, the complexity of activities requires a new role in addition to those already mentioned. A core MNC capability is the two-way transfer of knowledge and learning across networks. This transfer carries varying costs based on economic, social, and linguistic dissimilarities between regions; hence, an MNC's effectiveness in transfer of knowledge and learning is a critical source of competitive advantage (Kogut & Zander, 1993). HR as a "knowledge management champion" is thus an essential feature of the interdependent, networked organization (Sparrow et al., 2003).

As a first step toward building a heuristic framework around corporate HR functions in MNCs, Figure 1 summarizes the proposed links between IHRM structures and corporate HR roles. There is, of course, a certain requirement for all roles to be played in all organizational contexts; however, Figure 1 highlights which roles we might expect to *dominate* in the configurations presented. The empirical study reported here uses this preliminary framework to explore how HR is involved in coordinating IHRM.

## Methodology

This study is based on a series of in-depth case studies in well-known MNCs. It was designed to explore what executives in MNCs described as HR excellence. The study examined how MNCs seek to manage HR across the globe through a multidimensional approach:

- *Multilevel:* Involving respondents from HQ, region, division, country, and business unit/plant level, which enabled us to take a "slice" out of each company under observation.

- *Multiactor:* Selecting multiple informants (from HR, senior/line management, and employee representatives) to triangulate the data collection. In addition, the research was carried out by multiple research partners from around the globe.

- *Multicountry/region:* Gathering qualitative data from 19 countries on three continents.

| | Dependent | Interdependent | Independent |
|---|---|---|---|
| **IHRM structure** | ■ Start-ups (Evans et al., 2002)<br>■ Country-of-origin (Edwards, 2004)<br>■ Similarity (Gooderham et al., 1999)<br>■ Criticality (Taylor et al., 1996) | ■ Coordination and integration (Roth, 1995) | ■ Dissimilarity (Farndale & Paauwe, 2007b) |
| **Dominant corporate HR roles** | *Champion of processes* (Kelly, 2001; Sparrow et al., 2003) | *Guardian of culture* (Sparrow et al., 2003)<br><br>*Knowledge management champion* (Kogut & Zander, 1993; Sparrow et al., 2003) | *Guardian of culture* (Sparrow et al., 2003)<br><br>*Effective political influencer* (Novicevic & Harvey, 2001) |

**FIGURE 1.** Linking International HRM and Corporate HR Roles

This study relied on the value of the qualitative approach for this discovery phase of research. Only by adopting an in-depth interview method could the intimate richness of the necessary data be gathered; this required establishing and building trusting relationships with respondents (cf. Dutton & Dukerich, 2006). Although not grounded theory in its pure form, this study follows the spirit of grounded theory in its use of case studies to generate themes in the data by coding observations (Glaser & Strauss, 1967). We also used an iterative approach that involved comparing the findings that emerged from the data with extant literature (cf. Eisenhardt, 1989). The case study approach was adopted for its ability to cover multiple levels of analysis and detailed contextual conditions (Yin, 1994, p. 13). It was applied primarily in a descriptive manner, exploring HR roles and activities and linking them to IHRM structures (Eisenhardt, 1989).

Companies included in this study were selected from a list of high-performing, well-known MNCs agreed upon by the authors, based on superior business performance and reputation as an employer as measured largely from 2004 *Fortune* listings. This method of case selection was purposive and followed suggestions from Truss (2001): "to take a firm that is financially successful in conventional terms and ask what HR policies it uses to achieve this level of performance" (p. 1122). Details of the 16 companies that participated are presented in Table I.

A number of different routes were followed to gain access to these leading corporations, including personal contacts, established relationships, and cold calling. Initial contact was made by either e-mail, telephone, or letter with the head of HR at corporate HQ, which invited the companies to take part in the study. Based on subsequent discussions at either the HQ or country level, companies were invited to confirm participation. During this time, it was important to maintain regular contact with the firms and gather feedback to ensure their involvement. This also meant developing personal relationships with individual backers (cf. Dutton & Dukerich, 2006). In particular, we noted that having "big name" companies onboard was a useful way to encourage other firms to participate. This "snowball" approach to sampling, divided across the research partners over three continents, proved beneficial.

Once one contact person per company was established, this person provided a list of interviewees based on the researchers' requests, including HR professionals, senior executives, line managers, and employee representatives. (The risk of self-selection bias due to interviewees' being allocated by the company is recognized; however, in order to gain sufficient access, this was the most feasible methodology.) Interviews were arranged at the interviewee's office, lasted on average one and a half hours, and were mainly carried out with two researchers present (at least one of whom was a member of the core research team). This allowed the interviewer to concentrate on interacting with the interviewee, while the other person focused on recording accurate notes and clarifying issues (Eisenhardt, 1989, p. 538). Where permitted, the interview was tape recorded to supplement the extensive note taking.

In 2004–2005, interviews were held with 248 interviewees in the 16 MNCs based in 19 countries (Belgium, Brazil, China, Dubai, France, Germany, India, Italy, Japan, Korea, Malaysia, the Netherlands, Norway, Singapore, Spain, Switzerland, Sweden, the United Kingdom, and the United States). A multiple respondent approach was adopted to avoid bias and achieve a spread of responses, which Yin (1994) suggested is relevant to the case study approach. In total, 153 HR professionals and 95 representatives of senior management, line managers, and employee representatives (see Table II) were interviewed. Respondent demographics other than job titles were not collected.

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**TABLE I    Case Companies**

| Company | Sector | Country of Origin | 2004 *Fortune* (or Equivalent) Listing |
|---|---|---|---|
| ABB | Engineering/electrical engineering | Switzerland / Sweden | Global 500; Best Companies to Work For; Global Most Admired |
| BAE Systems | Aerospace, defense | UK | Global 500 |
| BT | Telecommunications | UK | Global 500 |
| EDF | Power generation & distribution | France | Global 500 Europe's Top 50 companies |
| IBM | Software/hardware/IT services | USA | Global 500 Fortune 500 Best Companies to Work For America's Most Admired |
| IKEA | Retail | Sweden | Best Companies to Work For |
| Infosys | IT software & infrastructures | India | Global Most Admired Knowledge Enterprises; Forbes A-list |
| Matsushita | Consumer electronics | Japan | Global 500 |
| Oracle | IT software & infrastructures | USA | Fortune 500 |
| P&G | FMCG | USA | Global 500 Fortune 500 Best Companies to Work For Global Most Admired |
| Rolls Royce | Aerospace, marine & energy | UK | Pacific Star Award for Activities in Asia; Business Commitment to the Environment Award |
| Samsung Electronics | Consumer electronics | Korea | Global 500 Global Most Admired |
| Shell | Oil/energy | USA | Global 500 |
| Siemens | Electronics/electrical engineering | Germany | Global 500 Best Companies to Work For Global Most Admired Europe's Top 50 companies |
| TCL | Consumer electronics | China | Largest television manufacturer in China |
| Unilever | FMCG | UK /The Netherlands | Global 500 Global Most Admired Europe's Top 50 companies |

A total of 108 interviews were carried out at corporate headquarters, 91 at regional or country level offices, and 55 at division or site level within a specific business. The number of interviews per company varied based on the access researchers received, but on average 15 interviews per company were conducted.

The vast majority of interviews were conducted face to face; a small number were conducted via telephone due to travel restrictions. The interviews were semistructured and based on a schedule designed and piloted by the authors. The interview questions covered the company's IHRM strategy, HRM practices, and the role of the HR department (see Table III). Some interviewees were not comfortable being interviewed in English (Chinese and Dutch interviews took place, for example); therefore, if a native speaker was not on the

| T A B L E   I I | Case Study Interviewees | | | | | | |
|---|---|---|---|---|---|---|---|
| Company | Countries Where Interviewees Based | Total | HR[1] | Non-HR[2] | HQ | Region/country | Division/plant |
| ABB | Switzerland, The Netherlands, Sweden | 13 | 6 | 7 | 3 | 7 | 3 |
| BAE Systems | UK, USA | 12 | 8 | 4 | 7 | 2 | 3 |
| BT | UK, Belgium, Germany | 15 | 9 | 6 | 10 | 5 | 0 |
| EDF | France, UK, Germany | 9 | 9 | 0 | 2 | 5 | 2 |
| IBM | France, USA, China | 9 | 9 | 0 | 4 | 4 | 1 |
| IKEA | The Netherlands, Sweden | 9 | 7 | 2 | 4 | 3 | 2 |
| Infosys | India | 19 | 6 | 13 | 19 | 0 | 0 |
| Matsushita Panasonic | Japan, USA, UK, Singapore | 24 | 11 | 13 | 18 | 2 | 4 |
| Oracle | UK, Germany, Italy, France | 17 | 4 | 13 | 4 | 13 | 0 |
| P&G | USA, Switzerland, The Netherlands, UK | 11 | 9 | 2 | 4 | 5 | 2 |
| Rolls Royce | Germany, Norway, UK, USA, Brazil, Netherlands, Switzerland | 25 | 12 | 13 | 12 | 6 | 7 |
| Samsung Electronics | Korea, Singapore, Malaysia, USA | 22 | 18 | 4 | 5 | 9 | 8 |
| Shell | UK, The Netherlands, USA, Dubai, Singapore | 24 | 24 | 0 | 7 | 17 | 0 |
| Siemens | Germany, The Netherlands, Spain | 18 | 11 | 7 | 4 | 6 | 8 |
| TCL | China, France | 12 | 4 | 8 | 5 | 2 | 5 |
| Unilever | The Netherlands | 9 | 6 | 3 | 0 | 5 | 4 |
| **16 firms** | **19 countries** | **248** | **153** | **95** | **108** | **91** | **49** |

Note: Where a zero appears in the table, this means that no respondents of this type were made available for the study at this company. This may affect the interpretation of the responses; however, this was compensated by ensuring as broad a variety of responses as possible based on the other criteria.

[1] HR titles included senior VP, VP, assistant VP, director, associate director, manager, leader, head, business partner (across general HR and specific functional areas).

[2] Non-HR titles included CEO, president, CFO, VP operations, general manager, business unit manager, plant manager, country manager, assistant manager, works council chair, trade union representative.

research team, a native-speaking research assistant led the interview alongside another member of the core research team. The interview notes were then written in English by this bilingual interviewer.

Due to the vast amount of data gathered, a content analysis of the original individual level interviews was not feasible. Instead, the data were reduced through aggregation to company level. The interview data were used to construct descriptive case studies (each about 20 pages long) for each company, which were written by the primary interviewer for each company and cross-checked

| TABLE III | Core Structure of Interview Questions | |
|---|---|---|
| Topic | Global/Local Issues | Network/Structure Issues |
| IHRM Strategy | Differences across divisions and countries | Prevailing IHRM structure |
| HRM Practices | Standardization of HRM practices globally vs. local customization | Transfer of knowledge and learning Inhibitors and facilitators for sharing HRM best practice |
| HR Function | Implementation and coordination of HR initiatives worldwide | HR position in hierarchy HR roles in organization Relationship between HR and line managers |

by the second interviewer. This allowed further analysis at organization level.

To improve research validity (cf. Eisenhardt, 1989), we used triangulation to construct the cases from a variety of information sources: the semistructured interviews, observations from site visits, internal publications, media reports, and other published sources. These data were summarized in individual case studies, which were then passed to the designated contact person in each company to check for factual errors. This process resulted in the contact person's suggesting very few and only minor changes, which were then incorporated into the final case study. Any discrepancies between multiple respondents within the same company were noted in the case study.

Two stages of data analysis then followed. The first involved creating a case database. Based on the structure of the interview schedule, the data from all cases were grouped by theme to make comparing cases transparent. The first author then used this database to classify each company according to its overall IHRM strategy. The other researchers were then asked to check the first author's classifications. When disagreements in interpretation were identified, they were discussed and an appropriate classification was agreed upon between the first author and the researcher who had carried out the original interviews.

The second stage then involved coding the individual case studies in more detail using the heuristic framework (Figure 1) to guide interpretation in a deductive manner. Specifically, the data were coded based on

details of the company's IHRM strategy, the structure, and the four corporate HR roles. The specific pieces of text coded under these headings were then collated in a process of data reduction and interpreted further to produce the following findings.

## Findings

We start by presenting the firms' IHRM strategies and then explore how these translate into interdependencies and IHRM structures. We then focus on the corporate HR roles.

### IHRM Strategies and Structures

Firms were first asked about the extent to which they had a formal IHRM strategy and whether it was differentiated across divisions and countries. In their responses, interviewees often described their IHRM strategies in terms of structural (inter)dependencies between different units, either geographically or across business divisions. Using these data, Table IV was developed; it describes the strategies and ranks the related structures in each firm from independence through dependence to interdependence.

*Interviewees often described their IHRM strategies in terms of structural (inter)dependencies between different units, either geographically or across business divisions.*

Starting with the firms with the most limited IHRM structure in place, EDF has minimal control over subsidiary HRM practices. For example, one corporate HR interviewee (with responsibilities for network

| T A B L E   I V | Case Company IHRM Strategies | |
|---|---|---|
| | Company | Predominant Strategy |
| Interdependence | P&G | Operates a network structure designed around "interdependency to achieve common goals," relying on the strength of the corporate culture as "the glue that holds the units together." |
| | Siemens | Developed from a strong ethnocentric parent-country focus, but increasingly involving subsidiaries in the processes of strategy and policy development. |
| | IBM | Has a tradition of highly centralized HRM, but is starting to give more autonomy to local businesses. |
| | Oracle | Extremely ethnocentric and remains steadfastly so. The company is built on a vision of top-down leadership enforced and supported by a centralized hierarchy of control and corporate values. |
| ∧∧ | Samsung Electronics | Some elements are strongly controlled from the center, especially culture and some new HR practices, but it has a predominant multidomestic approach, aiming "to take root in a country as a local company." |
| | ABB | History of decentralization and a well-known matrix structure; however, this has developed a high level of fragmentation, which is now driving a desire to change to more central control. |
| Increasing Dependence | IKEA | Used to operate in a very decentralized manner, although "a culture and value driven company," but now developing a top-down process, as people "wanted guidance from the top." |
| | Shell | The tradition of local autonomy is being reduced as control for business decisions is taken back to the center or business division level. |
| | Unilever | Previously "lots of local companies," but now adopting a regional model, resulting in increasing dependency, but with a level of decentralization remaining. |
| | Matsushita | Highly standardized within Japan, but highly diversified in its overseas operations: "With 213 overseas operations, there may be as many as 213 different HR management systems." |
| | Infosys | Predominantly active in India, with increasing activities overseas; a standardized approach to HRM in the home country, but more independent elsewhere. |
| ∧∧ | BAE | The core business in the UK is managed centrally, but each subsidiary operates standalone within the umbrella framework of values, principles, and strategic goals set down by HQ. |
| | Rolls Royce | Operates a highly complex matrix structure with multiple lines of reporting and devolved discretion over HR decisions supported by centralized processes. |
| | TCL | High degree of decentralization and a low degree of formalization, which is seen as a disadvantage: "The weak point of TCL is lack of standardization and processes." |
| Independence | EDF | HQ has a strong parent-country focus with weak links across the group as a whole. Internationalization is about benchmarking and developing international managers. |
| | BT | Predominantly a UK company with some limited international operations, but mainly alliances and joint ventures with partners around the world. |

coordination) highlighted the "current lack of synergy" due to an absence of knowledge flowing between HQ and subsidiaries. This is likely due to the international strategy of the firm, which advocates that each subunit should be completely independent. This is

similar in BT, although the latter claims to be developing a consistent approach to talent management, for example, which is applicable to all sections of the business and all geographies, thus introducing some level of dependence.

The next group of firms (BAE, Rolls Royce, TCL, Infosys, Matsushita) still shows low levels of dependence and explicitly chooses to customize its approach to HRM according to the local context. Strong signs of an independent approach to IHRM were found in TCL, where integration at the organizational level was described as extremely limited and divisions were allowed to adopt the HRM practices that best fit their business needs. Likewise, BAE interviewees admitted very little or no intervention from the group function overseas other than budgetary control:

*"I don't perceive that [the central function] has a great deal of control, or wants to have a great deal of control over the operating groups. So therefore, when you add the complexities of global differences in legislation and culture, unless you really want to have that strong centre and that strong corporate approach and identity, it's too hard to bother."* (Corporate HR manager)

At Rolls Royce, interviewees felt that a prescriptive and centralized set of policies would not best fit the organization, especially given the range of business needs and the organization's complexity:

*"Because you're in a corporate position doesn't mean you have omniscience, does it? And I think the business managers do know things about their business. . . . So I think you just need to be very sensible and have good dialogues with people."* (Corporate HR manager)

Matsushita was found to be similar, having a customization approach overseas; however, it also displayed strong standardization within the home country and realizes this: "In order to meet challenging day-to-day global business needs, we need an integrated global HR system to help recruit, retain and

motivate global talents" (Corporate HR general manager). Increasingly, corporate HR at Matsushita is taking the initiative to develop greater dependence by establishing a common strategy and providing support to build a more standard HR system.

Companies increase their HQ dependence as they move from a multidomestic approach to more global control: Shell has a strong tradition of creating local practice; however, this traditional strength has proven to be necessary, but not insufficient given a need for a more simplified and integrated HR system:

*"We haven't figured out how to get rid of redundancy. We are locked with a legacy of a lot of redundancy. For example, we still have twenty different payroll systems in Europe. In the 1990s, we had chemical businesses in Germany and in the Netherlands making different decisions to build the same plant in each country. Standardization is the key to our problems."* (Corporate HR Shared Services manager)

Similarly, Samsung focuses on differentiating at division or business level by allowing their HR units to develop and implement most HRM practices independently. They also implement strategies that fit local conditions using local talent; however, again with a push to become more standardized, IHRM practices are now being introduced by HQ and then diffused to subsidiaries.

At IKEA, one senior corporate HR manager described how the corporate culture provides a central philosophy underlying all HRM activities, rather than prescribing particular practices that stores must undertake. IKEA is developing global guiding principles in certain areas of HRM because subsidiaries are requesting guidance from the corporate level. ABB also described a lack of detailed guidelines from HQ, with many people feeling they can do things their own way:

*"I think the philosophy was at that time that there should be no detailed guidelines given out from Zurich [HQ].*

*It would be more to accept and respect the local environment and whatever that means with labor laws etc. etc. and so I would say afterwards looking into the mirror here, I would say it was also some kind of lack of guidelines." (Country level HR VP)*

As the quotation implies, however, corporate HR at ABB has become much more active in recent years, and most policies from HQ are now mandatory. This new dependence of subsidiaries on HQ was described as creating a lot of work for local implementation, but that is still seen as a positive move:

*"It has been a very local issue, so we are on a new journey, how to organize this. I mean it's important that you know people and you know what different countries are doing … so we don't invent the wheel fifty times." (Country level HR SVP)*

As Unilever moves more toward stronger regional and global influence, there has been more emphasis on local operations not developing their own policies, but adapting those provided by the regional and particularly global levels:

*"We're trying to harmonize, we're trying to simplify. And one of the results of that is that the regional and the global level will increase in influence, will increase their authority." (Country level/Corporate HR senior manager)*

A firm with a high level of dependency, but moving from a totally HQ-dependent global orientation to a more interdependent transnational orientation is IBM. One HR VP from a business region subsidiary commented:

*"They [HQ] can only give us principles; we have to apply them locally. We interpret it locally. There are many things that are not covered by the 10–15 processes, [many things] that are not covered locally. There is space for people to be innovative and creative. I don't want to give you the impression that we are run like the Kremlin and have no choice at*

*all. Nor do we sit idly at the mountain and wait for the 10 commandments to come down from Armonk [HQ]. We apply the principles Armonk gives us and we have leeway in running the show in areas that are not spelled out by IBM headquarters."*

In the most strongly HQ-dependent firm, Oracle interviewees emphasized in general that with the exception of local legislative and regulatory requirements (particularly regarding reward practices), very few concessions are made for the local culture, management style, and local conditions in general. Although strongly culture driven, Oracle differs from IKEA in that it reinforces its corporate culture with global IHRM policies and practices supported by standardized tools, rather than relying on philosophies alone.

Finally, P&G and Siemens showed the most evidence of being interdependent, with the highest level of two-way (HQ-subsidiary) interaction. At P&G, the starting point is commonalities in HRM, but localization is seen as a necessary second step. This philosophy results in what was described by one regional senior HR manager as intent-based rather than rule-based HR:

*"So we went that much more to principles, … to intent-based policies, because the whole world had moved, right … you need to understand the principles and then you apply them. They may apply differently to different situations."*

In Siemens, the importance of corporate HR has been increasing across the last decade, leading to establishing a new international HR department. Global guidelines are prepared in many areas:

*"First of all we are convinced that things like staff dialogue [performance appraisal], and other things [HRM practices] about which we talked, should be globally implemented. Otherwise we wouldn't have made those guidelines." (Corporate HR senior manager)*

But these guidelines are developed with subsidiary input:

*"The group in Munich [HQ] is not big enough and is not designed to come up with policies and guidelines by themselves. What they actually do is they coordinate people from groups into teams to develop a guideline. So we actually, as [Business Unit] have an input in the creation of the guideline."* (Business unit subsidiary HR manager)

## Corporate HR Roles

The remaining questions focused on the most common activities of the HR function. Some of the key results based on the roles identified in Figure 1 are summarized here and linked to our ranks from the most interdependent to the most independent firms.

Looking first at the most interdependent firms, at P&G, many interviewees strongly emphasized corporate HR's role in spreading the corporate culture:

*"In fact when you talk about the work of HR, a key element of that is that we see ourselves as champions and protectors of the values and principles. And that translates itself into everything from making sure that our people practices are handled with values and principles so that we ... how we recruit people, how we promote them, how we relocate them, how we deal with employee relations issues, all of which we try to make sure embody the [corporate culture program] and so the [corporate culture program] is manifested in its practices."* (Corporate HR senior manager)

In addition, multiple communities of practice have been established, designed to increase ownership of projects, build individual specialist capability, and bring HR people together. Similarly, interviewees at Siemens described the relationship between the corporate center and periphery as having changed through introducing a system of world, regional, and group councils, each level feeding into the next to share HRM best practice throughout the company. An additional HR activity mentioned

by both Siemens and P&G interviewees is personal credibility and the ability to influence:

*"The big thing is you need the credibility to influence: both local HR needs the credibility, as well as I need the credibility with the key decision makers in Cincinnati [HQ]. And I think when it comes to high risk areas like labor, etc., I think Cincinnati is aware that they do not have the knowledge, the understanding and all of that."* (Regional HR senior manager, P&G)

Moving on to the *dependent* structure of Oracle, this is also replicated in the HR function, where corporate HR has a primary process control role, is responsible for formulating global HR policy, and designates key HR practices and core HR processes supporting globally consistent delivery. HR policy is disseminated throughout the organization through standard processes and (automated) communication channels. IBM, an HQ-dependent firm that is increasing its levels of subsidiary HR autonomy, still has a best practice coordination role for corporate HR; that is, HQ develops overarching principles and tools such as performance management systems, leadership competencies, and training programs:

*Multiple communities of practice have been established, designed to increase ownership of projects, build individual specialist capability, and bring HR people together.*

*"IBM wants everything done the same way everywhere. We have to be a global company and so we don't have flexibility of creating our own performance management systems or bonus schemes. Everything has to be the same."* (Business unit, regional level HR manager)

IBM has focused on particular areas of activity, such as diversity, to develop international networks. Traditionally, most of the learning within the HR community came from the top; now interviewees commented

that because of the more local focus, an increasing amount of information on HRM practices is being shared across borders:

> "There is a huge amount of country sharing of HR practices. We try to [maximize] the sharing of ideas, development frameworks in other countries. We try to optimize our investments by sharing knowledge. Our HR community is very well linked. I have a leadership team that reports right to me. … We meet monthly and there is a great amount of sharing exchange. We decide as a team where there is a need for a certain competency and then ask that country to develop something to fix it." (Regional HR director)

At Samsung Electronics, a firm moving from an *independent* to a more *dependent* approach in some practices, the HR function is developing a core administrative focus. This focus is very process-oriented and strongly emphasizes metrics. From a control perspective, for example, the Employee Relations team ensures that unions are not established within Samsung plants. Another of the function's key aims is to create a brand that is nurtured through training programs for all employees: *"The goal of HR in this culture is to create a strong HR brand to attract the best human capital in order to have or be the best HR globally"* (Corporate HR manager). At ABB, the corporate HR function is taking a strong, controlling role in introducing specific IHRM practices, particularly related to talent management.

Still focusing on firms with an independent IHRM structure, but those gradually increasing the level of dependence on HQ, the strongly culture-driven firm IKEA obviously also has a significant culture role for HR. One senior corporate HR manager suggested that it is their task to continue to spread culture through HRM practices— *"Another very important thing actually*

> *"I would use my personal credibility with my people, with my colleagues and my personal credibility with my own people, to enforce respecting of the rules."*

*as well, is when it comes to how we recruit … that's another corporate tool we have developed, recruitment through our values"* (Corporate HR manager)—as well as provide culture training for leaders. For Shell, global branding is described as one of its best practices, with the brand and emergent global practices being transmitted through the company's IT systems. One interviewee commented that no follow-up is currently in place to ensure these global activities are implemented: *"My manager should be asking me about my competency report. He hasn't; there is no follow-up or reporting across this company"* (Regional HR manager). What appears to be of crucial importance for corporate HR in Shell is personal credibility: *"[the HR Director] needs to go into influence mode"* (subsidiary HR manager) instead of simply sending down new practices.

At Matsushita, corporate culture is being developed through extensive in-house training on the company's business philosophy to increase employee commitment. Similarly, at Infosys, the primary control from corporate HR is ensuring subsidiaries follow the "Infosys way." At Unilever, HR roles focus on developing the culture: *"HR has taken on that role [developing an enterprise culture] themselves. … They've really taken that on board. They have put it on top of their agenda, yes. So it did not really come out of the business"* (Country CEO). Aligning with the business and with line management is key and occurs at an intuitive rather than systems level based on personal influencing. According to one country-level HR manager:

> "That [achieving line management's commitment] would be—and it tells you everything about the Unilever culture—it would not be by telling them that they should do it. That is why I understand it's very counter productive. … Let's say the carrot would be, I would use my personal credibility with my people, with my colleagues and my personal credibility with my own people, to enforce respecting of the rules." (Country level/Corporate HR senior manager)

Moving to firms operating largely with an independent structure, BAE has a sizable corporate HR function, but it was described as being distanced from the business with an unclear mandate:

*"It [Corporate HR mandate] just doesn't happen. So my job for the last five or six years has been doing this [HR] change job, but effectively I have no accountability for delivering improvement, I have no authority to make those improvements into the businesses." (Corporate HR)*

HR has been expected, however, to play a leading role as an integrator to create the "glue" that binds the organization together:

*"Right now I'm faced with a situation where I'm in a part of the business that is just going to significantly change, and obviously the whole glue that is going to hold that together is going to be the HR [management], the strategy that basically gets the organization to change." (Business unit subsidiary HR)*

Corporate HR at Rolls Royce is also a large operation and is responsible for formulating and disseminating groupwide policies, processes, and practices, establishing both best practice guidelines and minimal standards. In general, however, these are seen as neither mandatory nor rigid in scope or nature. At TCL, despite efforts to create the HR function as a business partner, it is not yet evident whether this has strengthened the role of the HR department in business decision making. This detached position of the function was highlighted in the company literature:

*"HRM is the first and foremost responsibility of all managers. They are required to guide, support, motivate and evaluate the work of their subordinates, and are responsible for the growth of their subordinates." (TCL Group, 2003)*

Finally, firms operating with a minimal, formal IHRM structure show the lowest level of activity for the corporate HR function. At EDF, one role of corporate HR is to focus on developing corporate culture as a strategic tool for transformation, although this was in its early stages. Due to the group's decentralized nature, an important task is to be able to influence matching people to professions at the senior level: *"[One of our main challenges is] to improve mobility first and to avoid redundancy and to convince everybody, workers and employees undergoing training, that this is the only way to succeed" (Country level HR director).* The HR function at BT has traditionally, in keeping with the public-sector history of the firm, been perceived as having a largely administrative mandate. In this role, it acts as the "enforcer" or "corporate police" of the organization within its home country. Most recently, however, corporate HR has started to adopt a proactive role in promoting corporate values as an integral part of the drive to embed a high performance culture within the organization.

*Corporate HR has started to adopt a proactive role in promoting corporate values as an integral part of the drive to embed a high performance culture within the organization.*

## Discussion

Based on this study's findings, we consider here the key points of discussion that arise. First, a dynamic approach to considering IHRM strategy and structure is suggested beyond extant typologies. We then look deeper at the emergent methods of IHRM practice design and finally link these together with context-specific corporate HR roles. The discussion culminates in a contextually based configuration framework of the corporate HR function in MNCs.

The cases can be categorized into six groupings by IHRM structure (see Figure 2). This expands the extant typologies (e.g., Bartlett & Ghoshal, 1989; Harzing, 2004b; Taylor et al., 1996), which place MNCs in their current state in one "box" or another. The framework presented here emphasizes a dynamic dimension, which includes companies that traditionally depend on HQ, but are increasing their level of interdependence by involving subsidiaries in HRM policy design, and those that are traditionally independent of HQ, but are increasing their level of activity at the HQ level. These firms show

sufficient similarities between themselves and sufficient differences with the more pure form of being totally HQ dependent or independent to warrant highlighting the importance of this dynamic dimension. This may provide further evidence of the notion that dependence is dynamic and relationships between HQ and subsidiaries indeed evolve over time (cf. Bouquet & Birkinshaw, 2008b).

Exploring Figure 2 further, we see that HQ's first approach is dependence: corporate HR designs policy and disseminates it to all subsidiaries with no input from these subsidiaries in the initial design. This happens across the whole range of HRM programs at Oracle, for example. IBM follows a similar pattern, but increasingly local autonomy and input are permitted.

Alternatively, corporate HR can involve subsidiaries to a much greater extent in designing HR policy but then ensure consistency of practices by making the final decision on the standard corporate policy for all subsidiaries to implement. Siemens could be described as an example of this mode of operation: there is strong control from the center to ensure that IHRM policies are consistent irrespective of where they may have originated. The most interdependent approach found in transnational companies is where HR policy is continually developed by sharing practices among the different subsidiaries and HQ together, and then implemented jointly across the whole organization irrespective of where the policy originated. Arguably, P&G is an example of a company taking such an approach. Here, HR tools and systems are the backbone for all IHRM activities in an attempt to create a global employment experience, whereby employees are treated the same everywhere in the world. The only leeway that exists is for countries where adaptations are absolutely necessary due to business needs.

In companies moving from a position of subsidiary *independence* to putting more control in the hands of HQ (Shell, Samsung, ABB, IKEA, and Unilever), some practices were defined centrally by corporate HR, while others were defined locally. In some firms, however, HR policy remains the remit of each individual subsidiary independently of other subsidiaries and HQ. This results in a minimal role for corporate HR while the role of subsidiaries is substantial and strategic (e.g.,
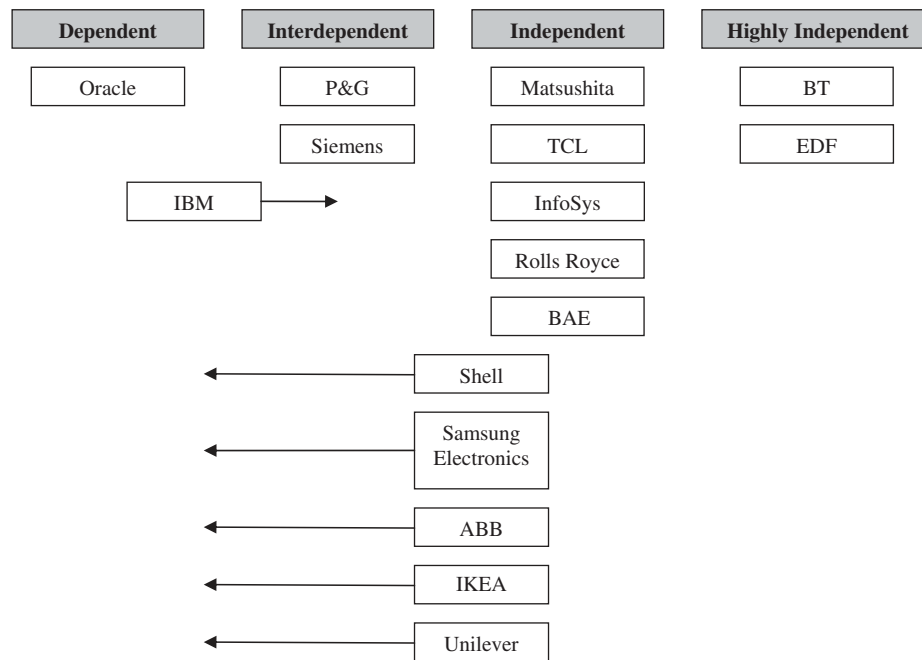


**FIGURE 2.** Case Study Companies Grouped by IHRM Structures

at Matsushita, TCL, Infosys, Rolls Royce, and BAE). The final approach has an almost complete lack of IHRM strategy; hence, subsidiaries are *highly independent* of HQ (as seen in EDF and BT).

A second point of discussion arising out of the data is how the process of designing and coordinating HR activities occurs. The knowledge-based view of the firm addresses questions of whether knowledge should be internally accumulated or externally acquired, or how knowledge exchange should be coordinated. Recent developments suggest, however, that the critical question in this research is how a manager should organize resources so individuals can generate and design new knowledge, often identified in the form of practices. Looking at an overview of the data, four methods of practice design emerge: 1) proactive, 2) iterative, 3) reactive, and 4) value-driven. A *proactive* design method for IHRM policies and practices starts with the corporate HR function's deciding what policies are needed and then formally disseminating these to the organization (observed at Oracle, IBM, and to a certain extent in ABB, Samsung, and Matsushita). An *iterative* design method focuses on learning, including an incremental, process-driven approach to improving IHRM policies and practices on an ongoing basis (which takes place at P&G and Siemens). A *reactive* method to IHRM occurs where corporate HR addresses issues only as they arise, with no deliberate overall global IHRM policy (for example, at EDF, TCL, and BAE). Finally, a *value-driven* method focuses less on actually producing written IHRM policies and guidelines and more on developing a strong organizational culture and related HRM principles, which encourage appropriate behavior in employees (for example, at IKEA).

The final dimension of this discussion considers how each of these IHRM structures and methods of practice design can be related to the different corporate HR roles identified earlier from the literature. Starting with the firms with the lowest HQ dependence, the key role to emerge was that of "guardian of culture" (cf. Sparrow et al., 2003). For exam-

ple, at EDF, corporate HR recognizes that the way to transform the organization in the future is through culture change across the organization. HR is also most likely to have a reactive role as there is very little requirement for global policy (aside from expatriation and top management development). It is here that HR needs strong skills as an "effective political influencer" (cf. Novicevic & Harvey, 2001) as coordinating top management development and corporate mobility are more complex in this highly decentralized environment.

With independent structures, similar roles are also played; however, where the emphasis is moving toward more dependence on HQ, a core role is becoming a "champion of processes" (cf. Evans et al., 2002). For example, at ABB, corporate HR is focusing on proactively designing global policies and monitoring compliance. When looking at IKEA, supported by a value-driven method of process design, the corporate function again takes a controlling role as the "guardian of culture," providing the underlying philosophy of all HRM practices across the company. Finally, the "effective political influencer" role came through strongly, for example, at Unilever and Shell, where attempts are being made to return HR control to a higher level (regional or global) across the organization.

*Corporate HR can involve subsidiaries to a much greater extent in designing HR policy but then ensure consistency of practices by making the final decision on the standard corporate policy for all subsidiaries to implement.*

Focusing on the more interdependent organizations (P&G and Siemens) we see a number of roles emerging. First, there is a strong role as "guardian of culture," which is about spreading corporate culture, incorporating cultural values into HRM practices, and, at P&G, creating what one senior corporate HR manager described as "living practice," which embodies the firm's values and beliefs. Second, we can also see the "knowledge management champion" role, which ensures the mechanisms for sharing best practice in HR across the whole company.

This involves building knowledge jointly, acting as a central repository of knowledge and building an infrastructure that connects people. The notion of "effective political influencer" also emerge in these companies: being able to create effective networks and challenge and influence management to implement IHRM as it is intended (cf. Novicevic & Harvey, 2001).

In the HQ *dependent* firm moving to increasing *interdependence* (IBM), clear process and knowledge management roles were uncovered, supporting the idea of corporate HR's still having strong control over IHRM activities. Also at Oracle, the dominant role described was that of "champion of processes," where corporate HR both designs policy and monitors how it is implemented worldwide.

To summarize this discussion and as a first step toward developing a more contextually based framework of HR configurations in MNCs, we present Figure 3, in which we combine both the theoretical reasoning and explorative empirical findings.

Comparing Figure 3 with Figure 1, we can see new insights emerging. As originally proposed, the dominant corporate HR roles mirror the IHRM structures, with the champion of processes belonging mainly to firms with strong HQ dependence, and the knowledge management champion to interdependent firms. In the most independent structure, corporate HR must rely on culture and influencing skills to have any effect on subsidiar-

ies. In addition, we also see the importance of the effective political influencer in the interdependent firm, emphasizing the relevance of personal credibility even within a structure that allows substantial formal control (cf. Boselie & Paauwe, 2005; Novicevic & Harvey, 2001).

Second, as noted earlier, the view on IHRM structures is expanded to be more dynamic, with companies moving between different types, which in turn has an impact on the HR function. In the dynamic situation, the range of corporate HR roles retains something of the original activities but starts to pick up additional activities that help move the firm from one structure to another. For example, as a firm moves from an independent to a dependent structure for certain HRM practices, corporate HR has to learn to be a champion of processes in addition to relying on culture and influencing skills.

The framework depicts the interrelationships between IHRM structures and how these affect related HR roles. In this respect we have moved beyond merely classifying HR roles in an MNC setting and have started to describe a heuristic framework to support further exploration of configurations of the HR function in MNCs. Further, the cases elaborate upon the content of newly emerging global HR roles, which will help achieve customized configurations of the HR function in MNCs dependent on their IHRM strategy and structure.

| IHRM structure | Dependent on HQ | Dependent on HQ → Interdependent | Interdependent | Independent of HQ → Dependent on HQ | Independent of HQ |
|---|---|---|---|---|---|
| **Method of HRM practice design** | Proactive | Proactive | Iterative | Proactive / Value driven | Reactive |
| **Dominant corporate HR roles** | Champion of processes | Champion of processes<br><br>Knowledge management champion | Knowledge management champion<br><br>Guardian of culture<br><br>Effective political influencer | Champion of processes<br><br>Guardian of culture<br><br>Effective political influencer | Guardian of culture<br><br>Effective political influencer |

**FIGURE 3**. Configurations of the corporate HR function in MNCs

## Conclusion

This study has considered the modern-day context of MNCs operating in tight global markets, highlighting the important link between the needs and constraints of the organizational context and developing HR roles. By doing so, it has drawn on international management and HRM literature to expand our knowledge about HR department roles. The data have revealed initial empirical evidence of contextually based configurations of corporate HR functions, exploring how IHRM practices are developed in terms of both *who* is involved and *how* these processes are carried out. This is useful as a basis for both future academic research and practical application.

Building a framework of configurations within this MNC context is necessarily complex, but equally enlightening, especially in contexts that are highly dynamic. MNCs themselves have to deal with issues related to the extent of dependence or independence based on their approach to internationalization. In particular as an organization becomes more interdependent, we see the importance of network building and sharing knowledge across the organization. These issues raise questions regarding the coordination and balance of approaches to IHRM but also highlight the idea that these internationalization structures are rarely static, but often dynamic and emergent. We note that many of the companies studied here are in transition and as such suggest considering a more dynamic approach to classifying MNCs by IHRM structure. Future research should explore the extent to which firms deal with these dynamic states to help us understand how the HR department handles the shift from one focus to another. Individual firm case studies (given the depth of analysis) may be a valuable means to achieve this.

Equally, tentative steps have been taken toward building a typology of methods of HRM practice design (proactive, iterative, reactive, and value driven). Further research is required in this area to test these approaches. Additional research could uncover the extent to which each typology is used in different

MNC structures, and whether other approaches not uncovered by this research exist.

The study presented here is, of course, somewhat limited by a sample size of 16 MNCs; hence its generalizability is reduced. The richness of the data gathered from multiple case studies, though, has provided the opportunity to elaborate on the framework. The paper is also limited by its focus on the role of the HR function in isolation: no consideration has been included of the role of other functional managers in implementing HRM, although input was gathered from such managers on their views of the HR function. Finally, the research team decided to adopt an approach that would explore current thinking in the IHRM field, basing the data analysis on a heuristic framework built from extant literature. In the future, it may be interesting to explore MNCs using a more grounded theory approach, seeing what patterns in terms of approaches to IHRM and corporate HR roles emerge. These limitations all present opportunities for future research to build on the initial framework of configurations proposed.

The framework presented here is both useful in theoretical terms for developing our understanding of HR configurations and in practice. HR professionals can see how different approaches and different tendencies toward either more dependence or independence affect the process of initiating and coordinating IHRM. Moreover, every approach has consequences for the kind of capabilities and role emphasis for HR managers working at corporate level. In HQ dependent firms, the dominant focus is on championing processes; in interdependent firms, the focus lies on being a knowledge management champion; and in more independent firms, the skills of political influencing and culture management are crucial. Practitioners can thus establish for themselves how their company and its HR operations fit in the framework or are moving from, for example,

> *We note that many of the companies studied here are in transition and as such suggest considering a more dynamic approach to classifying MNCs by IHRM structure.*

independence to HQ dependence, and how this affects the various approaches to IHRM practice and generating policy.

The complexities of operating in the MNC environment mean that frameworks such as that developed here are of fundamental importance to help the HR function establish how it can best structure itself to be most effective at the various site, country, regional, and corporate (HQ) levels. The framework enables practitioners to ask probing questions within their firm to understand fully the corporate internationalization strategy. This also ensures that the understanding becomes shared among organizational members. As the reach of globalization expands yet further, this will continue to raise many new cross-border role challenges for HR.

**ELAINE FARNDALE** is an assistant professor in the Department of Human Resource Studies at Tilburg University in the Netherlands. Dr. Farndale's areas of interest include international HRM; the power, professionalism, and roles of the HR department; change management and HRM; eHRM; and new HR delivery mechanisms. Her work has been published in refereed academic journals and practitioner publications as well as presented at international academic conferences.

**JAAP PAAUWE**, professor of human resource studies at Tilburg University, the Netherlands, and affiliated to Erasmus School of Economics, has written and coauthored a number of books on human resource management; has published numerous papers on HRM, industrial relations, and organizational change; and is one of the initiators of the Dutch HRM Network. His fields of interest are institutional theory, human resource management, organizational change, new organizational forms, and corporate strategy.

**SHAD S. MORRIS** is an assistant professor in the Department of Management and Human Resources at the Fisher College of Business, The Ohio State University. Dr. Morris teaches and conducts research in the areas of international business and strategic human resource management, particularly focusing on how global firms create value through people and knowledge.

**GÜNTER K. STAHL** is professor of international management at WU Vienna and associate professor of organizational behavior at INSEAD. His research and teaching interests are interdisciplinary in nature and lie at various points of intersection of strategy, organizational behavior, and human resource management. His special areas of interest include the dynamics of trust within and between organizations; sociocultural processes in teams, alliances, mergers, and acquisitions; and how to manage people and culture effectively in those contexts.

**PHILIP STILES** is director of the Centre for International Human Resource Management (CIHRM) and university senior lecturer in organizational behavior at Judge Business School, University of Cambridge, United Kingdom. His research interests include human resource management processes, chief executive succession, and the dynamics of board behavior.

**JONATHAN TREVOR** is a university lecturer in human resources and organizations at Judge Business School, University of Cambridge, United Kingdom. Dr. Trevor teaches and conducts research across a range of organizational behavior related subjects, focusing specifically on human resource management and internationalization.

**PATRICK M. WRIGHT** is the William J. Conaty GE Professor of Strategic Human Resources and senior research fellow at Tilburg University (the Netherlands) and is also former

director of the Center for Advanced Human Resource Studies in the School of Industrial and Labor Relations, Cornell University. Professor Wright teaches and conducts research in the area of strategic human resource management (SHRM), particularly focusing on how firms use people as a source of competitive advantage.

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