A core characteristic of human resource management (HRM) work is that it cannot be fully allocated to one particular actor or unit within the organisation (Tsui & Milkovich, 1987). Instead, HRM work involves HRM specialists, line and top management. Organising HRM work addresses the task of assigning HRM tasks and authority to different units within an organisation and enabling these units to coordinate their work with each other. The varying roles of HRM specialists, the debate over devolution of operational HRM tasks from specialists to the line (e.g. Nehles et al., 2006; Perry & Kulik, 2008) and the longstanding question of whether HRM is a specialist or a generalist task (Baron & Kreps, 1999: 503) indicate that organising HRM work is not straightforward. But what are the possible alternative ways to organise HRM work? And why do organisations employ a particular form of organising HRM?

In this chapter, we outline three options for organising HRM work and review how HRM scholars have explained differences and similarities in the prevalence of these alternatives in a cross-national perspective. Our subsequent focus on the national context builds on the premise that organisations are open systems that need to relate their structural elements to their environments in order to survive. While contextual factors relevant for organising HRM work can be found at various levels (e.g. industry, sector, organisational), the national context is a particularly promising perspective: first, government activities such as labour legislation and structuring of labour markets have contributed to the rise of the HRM function in organisations (Baron et al., 1986; Jacoby, 2003). Second, the HRM function operates within the specific societal context that sets limits or encourages development towards decentralisation and devolution (Andolšek & Štebe, 2005: 327).

We review four theoretical perspectives that seek to explain why there are differences and similarities in organising HRM work across countries: contingency theory, cultural theories, institutional theory and paradox/duality theory. We examine what factors these perspectives see as relevant and review how far HRM scholars have applied these perspectives in
cross-national comparative studies. After reading the chapter, one should have an overview of major alternatives to organising the HRM function, acknowledge the key arguments of major theoretical perspectives and understand the usefulness and potential of these perspectives for explaining cross-national differences and similarities in organising HRM work.

We begin by outlining three options for organising HRM work that we contrast along several dimensions. Building on this framework, we review how major theoretical perspectives explain differences and similarities and for each theoretical perspective we examine the core arguments and how they have informed empirical research on organising HRM work. Finally, we discuss research gaps and present prospects for future research.

OPTIONS FOR ORGANISING HRM WORK

We differentiate three major forms for organising HRM work that we see as generic alternatives. Following Whitley’s (1999) concept of work systems, we see options for organising HRM work as internally consistent alternatives of organising HRM (1999: 92) that can be differentiated along six characteristics covering how work processes are organised and controlled, how workplace relations among actors are shaped and what employment policies apply. Depending on the particular configuration of these characteristics, we talk about classic, neo-classic and modern ways of organising HRM work (see Table 11.1).

Classic HRM Organisation

The classic HRM organisation has its roots in ideals of Scientific Management and Max Weber’s bureaucracy model. HRM tasks are precisely defined so that responsibilities for them can be assigned to different entities that assume distinct roles in managing people. This often means centralisation of HRM tasks (e.g. formulating and implementing HRM strategy, administrative tasks) in the HRM department (Kreps & Baron, 1999: 507). In contrast, the roles of line managers are limited to the application of HRM rules. The HRM department’s major role is to administer HRM processes. Core components of this role involve providing instructions to line management, checking line managers’ compliance with rules and implementing HRM strategy. A further characteristic of the classic form of organising HRM work is high control over HRM tasks by the centralised units (see Whitley, 1999: 90), which prescribe to other units, usually line managers, what HRM tasks need to be accomplished and how to execute them (see Harris et al., 2002). The separation of responsibilities
between HRM department experts and line management ‘laymen’ is associated with a segmentation of knowledge, i.e. the prevalence of distinct skills in each unit. Typically, HRM department positions are staffed with highly specialised employees who are technically skilled in administering HRM processes. In contrast, line managers require no special HRM skills. Since needs for mutual consultation between HRM department and line managers are limited, specialist HRM tasks can be centralised and electronic media be used for facilitating communication (see Martin et al., 2008). Replacement of individual HRM specialists is fairly easy, as is externalisation of HRM tasks. The latter can range from specialised in-house units, such as ‘centres of expertise’, through ‘business within the business’ solutions to external consultancy (Adams, 1991; Sparrow & Braun, 2008; Ulrich et al., 2008). In extreme cases, the organisation outsources all HRM tasks to external service providers. Expected role behaviour is achieved through rewards that are tied to specific roles and job-descriptions. Meeting the demands of roles defined in job descriptions is the base for assessing performance. The technical and specialised nature of HRM jobs suggests the relevance of operational performance measures (e.g. costs for administering pay-rolls).

Table 11.1 Alternatives for organising HRM work

<table>
<thead>
<tr>
<th>Work systems characteristics</th>
<th>Classic</th>
<th>HRM work type Neo-classic</th>
<th>Modern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task fragmentation (specialisation)</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>HRM strategy integration and devolvement</td>
<td>Low</td>
<td>high</td>
<td>Limited to high</td>
</tr>
<tr>
<td>Control of HRM work</td>
<td>High</td>
<td>Some</td>
<td>Some</td>
</tr>
<tr>
<td>Separation of HRM specialists from line managers</td>
<td>High</td>
<td>Low</td>
<td>Low to high</td>
</tr>
<tr>
<td>Employer commitment to in-house HRM practice</td>
<td>Low</td>
<td>Considerable</td>
<td>Limited</td>
</tr>
<tr>
<td>Rewards for engaging with HRM activities tied to . . .</td>
<td>Standardised jobs/roles</td>
<td>Skills, individual performance</td>
<td>Skills, personal evaluation and individual performance</td>
</tr>
</tbody>
</table>

Source: Own elaboration, adapted and extended from Whitley, 1999.
Empirical studies suggest that the classic HRM organisation is common in practice. In the UK, organisations tend to keep most HRM responsibilities centralised in the HRM department (Budhwar, 2000; Farndale, 2005; Larsen & Brewster, 2003). For the Netherlands, Nehles et al. (2006) find that many line managers lack information on HRM policies and procedures. The focus on administrative tasks is very common in organisations in Spain (Cascon-Pereira et al., 2006) as well as in Portugal (Cabral-Cardoso, 2004). It is also widely spread in Slovenia, where two out of every three HRM directors are not positioned as members of top management (Zupan & Kaše, 2005). The focus on administrative tasks is also frequent in Africa, however, with a more pragmatic approach that is often difficult for Western managers to understand (see Chapter 23). Instead of centralising tasks to HRM departments, there is a belief that a good generalist should be able to apply skills across a range of subject areas, resulting in a general administrator role of HRM (Taylor, 1992).

Neo-classical HRM Organisation

The neo-classical HRM organisation has its roots in behavioural perspectives of the firm which emphasise that factors such as bounded rationality, psychological contracts, group processes and associated concepts characterise organisational settings and propose a higher task complexity and mutual dependence between organisational entities (Whitley, 1999: 92). Assuming that employees desire to be recognised as individuals, HRM tasks are both complex and holistic and require different organisational units to share responsibility for conducting HRM work. Devolving HRM tasks to line managers is crucial to success as direct supervisors understand employee needs and have considerable influence on how HRM tasks are executed. This creates a mutually dependent relationship between the HRM department and line managers: HRM specialists support line managers with solutions for accomplishing HRM tasks and revise these solutions based on line managers’ success with implementing them. Similarly, HRM specialists rely on exchange with top management for developing workable solutions. The possibilities for controlling the execution of HRM work in a mechanistic way are rather limited because it is hard to disentangle the exact responsibility of HRM specialists and non-specialist managers for HRM tasks. Given the need for intensive co-operation, skill requirements for HRM specialists become similar to those of top or line managers and vice versa. This is indicated by the need for HRM departments to develop business competencies (Ulrich, 1997) and line managers to elaborate HRM competencies (Whittaker & Marchington, 2003). If the accomplishment of HRM tasks requires a broad range of professional
skills, including technical and social competencies as well as solid business knowledge, it becomes rather difficult for companies to outsource HRM tasks or replace individual actors. Since professional skills are crucial to success in the neo-classical HRM organisation, organisational members are rewarded for investments in the development of skills and individual performance.

The neo-classic HRM model is frequently found in organisations in Northern European countries, as these are characterised by high levels of devolution of HRM responsibilities to line managers and strategic integration of HRM (Mayrhofer et al., 2004). In Denmark, for example, the devolvement of HRM tasks to line managers is very common. The neo-classical model is also reported in the Philippines, where Audea et al. (2005) suggest there are high levels of adoption of HRM practices and the HRM department takes a strategic role.

Research on the transition from classic to neo-classical models of organising HRM work points to mixed success. For instance, public sector organisations in Australia try to make the move from the classic model to more devolution and strategic integration, but realise that taking this step is difficult in practice. While involvement of line managers has increased in Australian organisations (Kulik & Bainbridge, 2006), Teo and Rodwell (2007) find that line managers are not willing to accept the responsibilities associated with operational HRM tasks. As a result, HRM specialists get a dual role of administrative experts and strategic partners to line managers. Josserand et al. (2006) explore reasons for the failed transition and suggest that HRM specialists perceived difficulties in taking on the new role, and at the same time line managers drove them back to their administrative role because of their lack of business understanding.

Modern HRM Organisation

The modern HRM organisation assumes the ongoing contestation of HRM purposes by highly complex and dynamic environments with uncontrollable developments. Its theoretical roots are systems development and evolutionary approaches. HRM structures are decentralised, flexible, informal, fluid, non-linear and in a process of continuous change. The constant changeability of organising HRM work is reflected in ‘flexible specialisation’ (Whitley, 1999). HRM tasks are varied and wide-ranging. HRM work becomes a task of all managers and even of all organisation members. However, it might be that the organisational form does not have line managers in the hierarchical sense (see McConville & Holden, 1999). Integration of HRM topics in strategic business planning is important, but not restricted to input by HRM
specialists. The holistic view of HRM work goes along with a need for strong discretion of organisational entities managing HRM work. For example, HRM specialists should act as ‘navigators’ who steer between opposing forces like short-term success and long-term legitimacy (Evans et al., 2002). The challenge for organisation members is to cope with the inconsistencies and contradictory requirements arising from the dynamic environments. Control over managing HRM work is accomplished through cultural integration. Organisation members should be equipped with excellent self-management, networking and often also with cross-cultural skills in addition to their technical qualifications. Knowledge of HRM work is continuous within the company, i.e. HRM specialists and line managers share experience and have similar skills and backgrounds. Networks and flat hierarchies characterise managing HRM tasks, lowering boundaries between actors. In these settings, commitment to structures and responsibilities is rather limited. Replacement of existing solutions is encouraged by, for example, high mobility of HRM staff but also by a limited commitment of line managers to share long-term HRM risks (e.g. investment in integration of new organisation members). Needed role behaviour is achieved by rewarding individual capabilities and networks.

Evidence for the existence of modern forms of organising HRM work comes from project-based organisations in Sweden. Söderlund and Bredin (2006) argue that in project-based organisations employees need special attention from HRM managers to meet their broader responsibilities. They identify four challenges that are of importance for developing HRM to meet the requirements of project operations: the competence issue, the trust issue, the change issue and the people issue. Bredin and Söderlund (2007) suggest a split of line management responsibilities into two separate roles: the line manager focuses on the technical supervising tasks and the line competence coach focuses on the people management tasks. Multinational companies (MNCs) are another setting where HRM roles and corresponding tasks are wide-ranging and a broad range of skills is needed for managing HRM. In addition, it is argued that the transition of dependencies between headquarters and subsidiaries makes their HRM structures dynamic (Farndale et al., 2010).

Having outlined the three alternatives for organising HRM work, we next look at what fosters or hinders the prevalence of a particular form of organising HRM work in a cross-national perspective. To this end, we review some theoretical perspectives and related empirical studies. The key arguments of these perspectives and relevant studies are summarised in Table 11.2.
Table 11.2  Theoretical perspectives used in cross-national research on organising HRM work and associated empirical studies

<table>
<thead>
<tr>
<th>Theoretical perspective</th>
<th>Core arguments</th>
<th>Exemplary variables</th>
<th>Exemplary empirical studies</th>
<th>Main ideas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>Organisations are structured so that they fit with their external environment</td>
<td>Business strategy, HR strategy, organisational size, life-stage/age, industry and sector, internationalisation strategy, complexity and stability of national organisational contexts</td>
<td>Bowen et al. (2002)</td>
<td>Linkages between business strategies and strategic role of the HR department vary across national settings Stratigic HR role is linked to organisational capability strategy in Australia, Canada, United States, Latin America and China; it is linked to differentiation strategy in Australia, China and Korea and to cost leadership strategy in Australia, United States, China and Korea Cross-national differences in the prevalence of a neo-classic HR work organisation may not be fully explained with a contingency perspective Organisational size and life-stage may be relevant to the prevalence of neo-classic HR organisation types in the UK and India Classic HR organisation in India corresponds to predominance of small and young organisations in this setting Partial realisation of neo-classic HR organisation in UK corresponds to operation of large and old firms in this setting</td>
</tr>
<tr>
<td>Contingency</td>
<td>Match between structure and environmental factors ('best fit') makes the organisational structure efficient</td>
<td>Particular HR work organisations should be chosen to resemble relevant contingent factors</td>
<td>Budhwar and Sparrow, (1997); Budhwar (2000)</td>
<td></td>
</tr>
</tbody>
</table>
Table 11.2 (continued)

<table>
<thead>
<tr>
<th>Theoretical perspective</th>
<th>Core arguments</th>
<th>Exemplary variables</th>
<th>Exemplary empirical studies</th>
<th>Main ideas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>Organisational members’ carry (implicit) theories about useful forms of organising HR work These theories are acquired through socialisation in a specific (national) setting</td>
<td>Attitudes to and beliefs about power differences, uncertainty tolerance, national background</td>
<td>Laurent (1986)</td>
<td>Views of organisational processes and the nature of organising work differ across managers’ national backgrounds German managers’ view resembles the classic or neo-classic HR organisation; British managers’ assumptions come closer to the modern HR organisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Farndale et al. (2010)</td>
<td>Suggest that growth of organisations in India promotes transition from classic to neo-classic HR organisation Corporate HR roles depend on the extent of mutual intra-organisational reliance in the relationships between headquarter and subsidiaries Corporate HR role is limited to influence HRM indirectly (‘guardian of culture’) if subsidiaries are independent from other subsidiaries and headquarter With increasing dependency, the corporate HR role is getting stronger, focussing on HR processes and managing knowledge</td>
</tr>
</tbody>
</table>
Theories guide decisions about HR work types.

- Budhwar and Sparrow (2002): Perceptions of conditions and consequences of neo-classic HR work differ cross-nationally. Indian managers have more favourable perceptions of neo-classic HR work than UK managers.
- Brandl et al. (2009): Perceptions of Danish line managers of the importance of HR work differ across gender and public or private organisations. Danish HRM context resembles the neo-classic HR organisation.
- Osland and Osland (2009): In the Central American context family-run local enterprises are organised in a classic way and sophisticated local enterprises and MNCs are organised in a neo-classic or modern way.

**Institutional National settings** are characterised by distinctive institutions/social arrangements. These institutions shape the structure of organisations. HR work type reflects the country’s particular institutional arrangement.

- Barnett et al. (1996): Neo-classic HR organisation is fostered by the industrial relations system. Local HR tradition and credibility can hinder transition from classic to neo-classic form.
- Brewster et al. (2006): Business system characteristics influence whether HR work is transactional or strategic. Large HR department size represents transactional, routine work (classic) whereas small size stands for strategic work (neo-classic).
- Wächter et al. (2006): HR role dynamics (e.g. functional specialisation, HR-staff ratio and status) in MNC subsidiaries are only little affected by national business systems, except for Germany.
<table>
<thead>
<tr>
<th>Theoretical perspective</th>
<th>Core arguments</th>
<th>Exemplary variables</th>
<th>Exemplary empirical studies</th>
<th>Main ideas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tung and Havlovic (1996)</td>
<td>Involvement of HR departments in planning and task focus is shaped by the national political-economic environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Trustful environment and unionisation foster neo-classic HR organisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Jacoby (2004), Jacoby et al. (2005)</td>
<td>Corporate governance structure is associated with HR department size, devolvement, strategic integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Historically evolved variants within national settings of neo-classic models do not converge</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Jennings et al. (1995)</td>
<td>External and internal labour market relations foster the centralisation of HR work (bureaucratisation) and strategic integration (professionalism)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Multiple factors need to be considered to explain the emergence of the particular forms of organising HR work</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Brandl et al. (2008)</td>
<td>Social policy is associated with the organisation of women-led HRM departments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Maternity leave programs and public childcare foster the strategic role of female HR directors (neo-classic HRM work organisation)</td>
</tr>
</tbody>
</table>
HRM work organisation is influenced by national state activities
National state promotes bureaucratic control and internal labour markets that encourage centralisation of HRM tasks within organisations (classic HRM work organisation).
Organisations respond to employee rights initiatives by expanding the tasks of the HRM department and increasing its status (neo-classic HRM work organisation).

Duality/paradox
Organisational success or failure depends on how organisations cope with (unavoidable) contradictory forces.
Organisations should reconcile and dynamically balance contradictions.
Co-existence of multiple forms of organising HR work (e.g. through hybrids) as a mechanism for taking into account contradictory requirements.

Change versus stability, centralisation versus decentralisation, specialism versus generality, strategic roles versus administrative HR roles, employees versus employer.

Major tensions in organising HR work in MNCs are strategic versus other roles, creating the balance between centralisation and decentralisation and aligning interests of different stakeholders.
Country of origin may account for how MNCs deal with tensions in organising HR work in their subsidiaries.
Specifically, Japanese MNCs lack tight coordination between corporate HR and HR in Chinese business units; European MNCs show strong coordination efforts.
CONTINGENCY APPROACHES

Core Concepts

Breaking with the universalistic idea that ‘one solution fits all’, the core assumption of contingency approaches is that organisations are structured so that they fit with their external environment (see Chapter 1). Thus, a particular HRM work organisation should be chosen to reflect relevant contingent factors: internal factors, such as strategy, size, age, and external factors, such as industry and sector (for an overview see Donaldson, 2001).

Cross-national comparisons using the contingency perspective (e.g. Hickson et al., 1974) hold that linkages between contingencies and structural elements are stable across countries. They address the complexity and stability of national organisational contexts to account for differences and similarities in organisational structures. Hence, explanations of differences and similarities of organising across countries should take into account how diverse and how dynamic national settings are. Contingency approaches suggest that the classic HRM work model is more appropriate in national settings where organisations find conditions of low complexity and high stability. Following the argument that organisations seek to deal with their environment effectively, this type is most common. The neo-classic HRM organisation develops as a reaction to increasing complexity and dynamics occurring in national environments. Organisations may find it useful to manage strategic changes; strategic involvement of HRM specialists helps them to anticipate changes and develop strategic plans. Finally, the modern HRM organisation is a consequence of highly complex contexts with very diverse demands as we find them typically in MNCs.

Empirical Research in the Contingency Tradition

Empirical research that builds on contingency assumptions has paid particular attention to the linkage between an organisation’s HRM strategy and the organisation of HRM work. Bowen et al. (2002) examine whether the strategic role of the HRM department is consistent with three HRM strategies – organizational capability, differentiation and cost leadership – proposed by Schuler and Jackson (1987) in a sample of organisations in Anglo, Asian and Latin countries. Their study examined whether such contingencies apply beyond the US context. They find that high HRM status in organisations in Australia, Canada, United States, Latin America and China is linked with the organisational capability
strategy of the HRM department; in Australia, China and Korea with a
differentiation strategy; and with leadership strategy in Australia, United
States, China and Korea. In sum, the study provides limited support for a
one-to-one linkage between HRM strategy and HRM organisation. Their
study reveals that linkages between business strategies and types of HRM
organisation do vary across national settings. However, the fact that the
neo-classical HRM organisation is found in all strategy types in Canada
and China suggests that a particular business strategy does not entirely
determine a particular HRM work organisation; the absence of a busi-
ness strategy-HRM work linkage in other countries may indicate a limited
importance of business strategy for organising HRM work. Overall, the
study of Bowen et al. (2002) indicates that cross-national differences in the
prevalence of a neo-classic HRM organisation cannot be fully explained
with a contingency perspective that focuses on HRM strategy.

Studies of HRM organisation in the UK and Indian manufacturing
sector (Budhwar, 2000; Budhwar & Sparrow, 1997) also draw on the con-
tingency perspective, but argue that a broader set of contingency factors
may be relevant to understand the prevalence of specific HRM organisa-
tion types within a national setting. Beyond organisational policies, they
refer to organisational size and life-stage as well as to the interplay of
these factors with other factors (e.g. national culture, national business
system; see below). Although Budhwar does not compare companies
cross-nationally, his findings are consistent with factors that are high-
lighted by the contingency perspective. In the Indian context, where small
and young organisations predominate, low strategic integration of HRM
departments and low devolvement of HRM work to line managers are
often found, pointing to the predominance of the classic HRM work
organisation. In the UK, where large and old firms operate, devolvement
is often low too; however, more organisations tend to integrate their HRM
department strategically. The fact that the neo-classic model has not fully
arrived yet in the UK is nevertheless consistent with contingency assump-
tions that stress the importance of industry characteristics for the nature
of organisational structure, given that in the manufacturing sector line
manager involvement in HRM does not create competitive advantage.

Arguing that internationalisation strategy is a critical factor in how
HRM work is organised, Farndale et al. (2010) examine, in an explora-
tory analysis of 16 MNCs with headquarters in different countries, how
corporate HRM roles vary based on how MNCs design the relationships
between headquarter and subsidiaries. In line with their reasoning that
corporate HRM roles depend on the extent of mutual intra-organisational
reliance in these relationships, the study provides evidence that in the case
of independent subsidiaries the corporate HRM role has limited influence.
This is reflected in the predominance of the ‘guardian of culture’ role (Brewster et al., 2005). With increasing dependence, the corporate HRM role also increases, focusing on HRM processes and managing knowledge. We think that this work is particularly interesting for comparative research on organising HRM work because it is one of the few studies that takes into account corporate internationalisation strategies. The findings suggest that internationalisation strategy is indeed an important contingency for organising HRM work (see also Stiles & Trevor, 2006; below). Although the study focuses on the role of corporate HRM, findings suggest that independent and interdependent relationships promote modern forms of organising HRM work, whereas dependent relationships foster neo-classic forms of organising HRM work. Given the different countries of origin of the MNCs investigated in the study, it would be interesting to examine whether the fit between internationalisation strategy and HRM organisation applies for all MNCs regardless from which national settings they originate.

CULTURAL APPROACHES

Core Concepts

Cultural approaches to cross-national comparative research on HRM work are based on the assumption that similarities and differences in organising HRM work between countries prevail due to values and assumptions of individuals who operate in these settings (see Chapter 3). Managers carry implicit theories about organising in their ‘heads’ (Laurent, 1986), comprising, for example, ideas about whether or not HRM work is part of line managerial work. These theories will also include attitudes towards the distribution of power differences and uncertainty. Managers select HRM work models that match their implicit theories of adequate organisational forms. Other than contingency theory, cultural approaches emphasise that HRM work models are applied regardless of their efficiency. This is based on the assumption that individuals do not constantly evaluate alternatives for organising HRM work. Instead, they are satisfied with solutions as long as these are perceived as working sufficiently (March & Simon, 1958). Also, when organisation members examine possibilities for improving HRM work, their existing knowledge allows them to consider only a limited number of alternatives. These alternatives are influenced by the specific social context in which they are socialised.

Scholars employing cultural approaches to examine cross-national patterns in organising often refer to Hofstede’s (1980) work. He identifies
cultural dimensions that could be related with the selection of particular organisational models. The power distance dimension, for example, reflects to what extent one accepts the uneven distribution of power between supervisors and subordinates. In settings where power distance is high, subordinates expect that they will be told what to do. This encourages and stabilises a hierarchical distribution of HRM work as represented in the classic and neo-classic models. With his uncertainty avoidance dimension, Hofstede examines how comfortable one is with unfamiliar situations. If uncertainty avoidance is high, organisation members expect a clear chain of command in their organisation and defined areas for their own responsibility, also encouraging the stabilisation of classic and neo-classical models.

The focus of cultural approaches is not limited to explaining the cross-national variability of organisational forms. Assuming that culture shapes the meaning that organisational members attribute to models of organising, cultural approaches can also shed light on the meaning organisational members attach to forms of organising HRM work (Inzerilli & Laurent, 1983). Hence, ‘even if the structure of different organizations may appear the same on some objective dimensions the meaning of structure to the organization members may be quite different, and this difference may be important in influencing their behavior’ (1983: 98). Budhwar and Sparrow (2002) build on this perspective when comparing British and Indian managers’ understandings of the neo-classical model.

**Empirical Research in the Cultural Tradition**

Empirical research on HRM work using culture approaches has been rather limited to date. Those that there are cover different aspects, but point to considerable cross-national differences in managers’ belief structures. Frequently cited is the study by Laurent (1986), who compares assumptions of managers from 10 Western European countries about their understanding of organisational processes. Exploring cross-national differences in managers’ agreement to statements about managing organisations, he explains that the German managers’ view of organisations is ‘a coordinated network of individuals who make appropriate decisions based on their professional competence and knowledge’ (1986: 96), which corresponds to the classic or neo-classic HRM organisation. In contrast, the British managers tend to see organisations as ‘a network of relationships between people who get things done by influencing each other by communicating and negotiating’ (1986: 96), a view which comes closer to the modern HRM organisation.

Budhwar and Sparrow (2002) analysed a matched sample of 48 Indian
and British firms in the manufacturing sector to compare HRM managers' understanding of two core elements of the neo-classic model for organizing HRM work: strategic integration and devolvement of HRM work to line management. They employ a multi-mapping methodology for assessing companies' HRM specialists' understanding of these elements and of the influence of national culture on them. The study reveals considerable cross-national differences in how HRM specialists interpret the conditions for and consequences of the neo-classical model. Indian HRM specialists conceptualise integration as a result of recent economic reforms and associate it primarily with MNCs. Devolvement of HRM work to line managers is seen as a necessity of the economic liberalisation process (Budhwar & Sparrow, 2002: 618). British HRM specialists, in contrast, emphasise a larger variety of issues associated with devolvement, also including dysfunctional outcomes. Given that cultural approaches see such theories as crucial for decision making, the study suggests cross-national differences in the use of the neo-classical model: the narrowly defined scope of strategic integration in India suggests that HRM specialists will employ this concept less widely than their British counterparts. On the other hand, they have fewer concerns with devolving HRM tasks to line managers and, therefore, may more deliberately delegate responsibility for operational HRM work than British HRM specialists.

Brandl et al. (2009) studied how much attention line managers in Denmark pay to HRM tasks, assuming that perceived importance is critical for successful devolvement of HRM responsibilities to the line. Their nationwide survey of 1500 Danish managers finds that line managers show considerable interest in HRM tasks in relation to other managerial duties, which facilitates the implementation of the neo-classical HRM organisation that is very common in Denmark. Their findings also reveal that managers' importance ratings differ considerably across HRM tasks: while interest in 'motivating others' and 'staff well-being' is high, 'team building', 'handling conflicts' and 'coaching' are seen as less important.

For the Central American context, Osland and Osland (2005) based on an expert panel and their personal work experience in the region, suggest that HRM in Central America varies widely (see also Chapter 22). Cultural features that characterise the Central American context are strong personal relationships, loyalty and collectivism. Family-run local enterprises are characterised by the classic HRM organisation ('paternalism'), whereas neo-classic and modern HRM organisation models dominate in sophisticated local enterprises and MNCs operating in the region. Osland and Osland (2005) suggest that the neo-classic and modern HRM models are increasingly 'imported' by MNCs and by talents starting their career in MNCs who return to their family-owned business at a later point in time.
INSTITUTIONAL APPROACHES

Core Concepts

Institutional explanations for comparing HRM work assume that organisations adopt particular forms of organising HRM because social arrangements pressure them to do so (see Chapter 2). National settings are characterised by institutions such as laws, agreements and standards that make up the distinct social arrangement. Organisations recognise these institutions and develop structures that allow them to operate within these arrangements. The HRM organisation therefore reflects the particular institutional arrangement. The institutional tradition is a collection of approaches under headings such as ‘varieties of capitalism’ (Hall & Soskice, 2001), ‘business systems approach’ (Whitley, 1999) and ‘world polity approach’ (Meyer et al., 1997).

The first two approaches share the key argument that existing variations between different systems of economic organisation remain and are reproduced through different social arrangements at national level. For example, Whitley (1999: 19) asserts that ‘nation states constitute the prevalent arena in which social and political competition is decided in industrial capitalist societies’, implying that organising HRM work is shaped by the existence of national interest groups and rules that govern their interaction and control over resources. For example, the classic HRM model is unlikely where managers share experiences or skills with the workforce or where labour organisations (e.g. unions) are incorporated into state mechanisms for regulating conflicts between interest groups (Guillén, 1994). The neoclassical model is less likely where managers and workers have distinct backgrounds, or where they are mobile between firms or industries, where owners reject long term risks with specific firms; the neo-classical model is likely where strong industrial and craft unions have limited control over work organisations. Finally, the modern HRM model is encouraged by a strong public training system and where trust and authority are highly personal and less provided by employer and employee trust.

The world polity approach postulates the de-legitimation of national organisational forms as universalistic standards and Western principles of rationality such as autonomy or formalisation diffuse globally (Meyer et al., 1997). The worldwide expansion of autonomy of organisations and individuals brings about extension of strategic activities in organisations and involvement of organisation members in strategy-making processes. World cultural models of managing employees promoted by globally acting organisations, best practice and social movements (e.g. HRM professional associations) encourage organisations to reorganise their
HRM work so that they meet universalistic standards. The world polity approach suggests the worldwide diffusion of neo-classic and modern HRM models in the long run and the replacement of classic HRM models. Differences between countries are explained through different exposure of countries to global models of organising.

**Empirical Research in the Institutional Tradition**

A considerable number of scholars have drawn on institutional perspectives to study variations between forms of organising HRM work cross-nationally. Barnett et al. (1996) combine institutional arguments with a negotiated order approach to compare the development of HRM department roles in response to the public sector reform in Australia and UK. Using an exploratory research design based on interviews with senior managers, they examine how three Australian hospitals and a UK NHS Trust develop their HRM function. While the Australian organisations have established administrative HRM roles, in the UK setting the HRM manager was appointed to the board of directors and was responsible for a broader spectrum of HRM activities (corresponding to the neo-classical model). Barnett et al. explain the more constrained roles of HRM specialists in Australia by the role of the National Health Commission and the industrial relations system as well as with the lack of an HRM tradition in the investigated organisations (1996: 33).

Emphasising the relevance of political-economic and socio-cultural environmental factors for the shape of the HRM department, Tung and Havlovic (1996) suggested that specialised HRM departments have a narrower task range in the Czech Republic than in Poland because of their association with spying activities on employees’ lives during the post-World War II communist era. Consistent with this reasoning, they show that Czech companies involve their HRM departments less in training activities but more in recruitment and payroll activities compared to companies in Poland and that unionisation in the Czech context increased the likelihood of the HRM department’s involvement. This study is a rare attempt to highlight the role of political legacy for the organising of HRM work.

Using Cranet data from 18 European countries and Japan, Brewster et al. (2006) analyse how the resources allocated to HRM departments are associated with national business systems characteristics. The authors argue that in Rhineland economies and Japan, which represent large firm models, the transactional nature of HRM work requires larger HRM departments, whereas in countries with compartmentalised, transitional or peripheral business system models, the emphasis on strategic HRM
work suggests small HRM department. Brewster et al. find that HRM departments are smaller in the former communist countries of central Europe as well as in southern Europe. In Japan, HRM departments are larger, but not in Germany. While the study affirms the relevance of the national regulatory context for HRM departmental size, the lack of direct correlations for the remaining countries suggests that other factors play a considerable role for HRM department size. Another explanation for missing correlations might be that small HRM departments are found in modern as well as in neo-classical organisational forms. Interpreting the study in the light of our framework is not straightforward because our classic, neo-classic and modern organisation models are not directly associated with HRM departmental size.

Building also on the business systems perspective, Wächter et al. (2006) examine the operation and roles of HRM departments of US MNC subsidiaries in Spain, UK, Ireland and Germany. Assuming that typical features of US HRM departments are internal functional specialisation (employment management, compensation, training and employee relations), relatively small size and low hierarchical level, the authors explore whether and how these three characteristics vary and how such variations may be associated with national institutional conditions. Wächter et al. find that national institutional factors play a minor role in determining HRM department roles, which they suggest to be largely determined by efficiency pressures and the differentiation between transactional and strategic HRM tasks. Germany is an exception to this rule because the institutional context requires relations between HRM departments and works councils. HRM departments have addressed these pressures by devolving transactional tasks to line managers and by trying to increase their strategic involvement. The study is notable because the detailed case analyses reveal how roles are dynamically negotiated between subsidiary managers and headquarters.

Jacoby et al. (2005) analyse the role of HRM executives in the United States and Japan from a varieties of capitalism perspective to examine whether coordinated (Japan) and liberal market (United States) economies converge. Building on a survey of 229 Japanese and 149 US firms they trace changes in organising HRM work over the last five years. They find that in both countries companies have reduced HRM department staff, however, in Japan reduction is realised by buying services from outsourced in-house units (see Adams, 1991) and in the United States external service-providers are used. Responsibility devolvement to line management has increased in Japan in a limited number of companies while devolvement has been widespread in the United States. The study shows that the number of HRM executives who are involved strategically
has increased in the United States, whereas involvement in Japan is still higher. This study is remarkable because of its comprehensive analysis of recent developments in organising HRM work showing that while organisations respond to global pressures to deregulation, their responses vary depending on national institutional traditions.

Within a neo-institutional framework, Jennings et al. (1995) analyse how the relationship between external and internal labour markets accounts for the emergence of bureaucratised and professionalised HRM departments in the Pacific Rim area. Jennings et al. suggest that in countries where external labour allocation is managed by external agencies (e.g. public education and labour management) bureaucratisation inside the organisation is low. Synthesising findings from their previous research, they explain that bureaucratisation is more likely in Australia, Canada and the United States, where organisations are responsible for controlling HR practices. Professionalisation, i.e. the acknowledgement of specialised disciplinary knowledge, resembles strategic integration in the neo-classical HRM organisation. Jennings et al. specify seven factors that foster professionalisation: the existence of professional associations, prevalence of bureaucratic HRM models, prevalence of large firms and cultural support for specialisation, unionisation, state involvement and an educated workforce. An interesting aspect of Jennings et al.'s study is that the establishment of the classic HRM model (bureaucratisation) can go hand in hand with the rise of the neo-classical model.

Recognising that HRM specialist positions are increasingly staffed with female professionals who have traditionally been associated with a classic HRM work organisation, Brandl et al. (2008) look at the influence of national social policy and culture on the organisation of women-led HRM departments. In a study of 984 companies with female HR directors in 16 countries they find that enabling social policy programmes (e.g. public childcare, maternity leave programmes) are associated with a more strategic role of women-led HRM departments. This suggests that the inclusion of female HRM professionals in senior positions does not hinder the emergence of a neo-classical HRM work organisation when the state intervenes to reduce productivity differences between men and women. Brandl et al.'s study notes that institutional factors are more relevant for shaping roles in organisations than cultural attitudes.

The importance of the nation state for the HRM work organisation is also the topic of Baron et al.’s (1986) study of the transformation of the employment relationship and evolution of personnel administration in the United States between the Depression and World War II. They argue that the state played a considerable role in the spread of the classic HRM work organisation, as it promoted bureaucratic control and internal labour
markets. Building on the relevance of legislation for the role of HRM departments, Dobbin and Sutton (1998) analyse US managers’ responses to the federal employment rights revolution of the early 1970s in a survey of 279 organisations. They suggest that the room for interpretation in the legislation allowed organisations to respond to initiatives in the areas of equal employment opportunity, health and safety, and benefits by founding new departments dedicated to these issues. This fuelled an increase in the importance of HRM departments and their transformation from the classic to the neo-classical HRM work organisation.

**DUALITY/PARADOX THEORY**

**Core Concepts**

About 20 years ago, paradoxes, dualities or dilemmas became a major concern for scholars of organisation (e.g. Cameron & Quinn, 1988) and HRM (e.g. Evans, 1999; Evans & Doz, 1989). Research on these phenomena has formed the emerging body of work that is referred to as paradox/duality theory. Assuming that contradictory forces or ‘poles’ operate in organisations, paradox/duality theory asserts that organisational success or failure depends on how organisations cope with such forces. In contrast to contingency perspectives that suggest organisations need to adjust their structure so that it is aligned with one particular context, duality/paradox theory postulates that organisations should accept the coexistence of contradictions and should reconcile and dynamically balance them (Evans, 1999: 369). The rationale for this ‘Janusian thinking’ (Rothenburg, 1979) is that maximising consistency in one direction, however beneficial it seems, can be dysfunctional for organisations. For example, delivering HRM services through virtual processes with responsive and temporary networks requires new skills like self-management and collaboration that make contractual relationships less permanent and more outcome-focused with a strong role for the team or contract managers (Evans et al., 2002: 464). These changes challenge the integrative role of HRM work. In order to avoid potentially destructive results that may lead to an alternative extreme (e.g. a highly centralised HRM department) and ongoing cycles of crisis and alternation between extremes, organisations should constantly pay ‘a minimal level of attention’ (Evans et al., 2002: 82) to alternative options.

Since tensions in organising work such as ‘change versus continuity’, ‘centralisation versus de-centralisation’ and ‘generality versus specialisation’ cannot be avoided (Evans, 1999, 1991), organisations need to manage
them actively. A particular concern for organisational design is then to find out when tensions are constructive, fostering organisational development by enhancing creativity, and when they are destructive, leading to stagnation and other problematic outcomes for the organisation.

Duality/paradox theory so far has informed cross-national comparative research on HRM work mainly by highlighting typical dilemmas faced by organisations that operate in different national settings. For example, a common tension for organising HRM work in MNCs lies in the opposing forces for local responsiveness and global integration that occurs as business internationalises (Scullion & Starkey, 2000: 1063). The paradox to be managed here is ‘how can we provide an appropriate degree of integration to affiliates that need their local autonomy?’ (Evans, 1991: 113). Holding that ‘either/or’ solutions are likely to be ineffective, duality/paradox theory suggests the co-existence of multiple forms of organising HRM work (e.g. through hybrids) as a mechanism for taking into account contradictory requirements.

Empirical Research in the Duality/Paradox Tradition

The small, but growing body of work on organising HRM work in MNCs (e.g. Farndale et al., 2010; Scullion & Starkey, 2000; Stiles & Trevor, 2006) underlines the validity of duality/paradox theory. In MNCs, the question of how HRM work should be organised is less straightforward as different countries, business divisions and organisational levels are involved. Stiles and Trevor assert that ‘the theoretical position that embraces the notion of tensions or paradoxes or dilemmas seems to be the most accurate reflection of the lived experience of HR professionals’ (2006: 62). Based on a comparative case study of a Dutch and a Japanese MNC in China, Stiles and Trevor (2006: 50) assess how the HRM departments of these two companies balance three types of tensions that Stiles and Trevor see as important in the multinational context: strategic versus other HRM roles (Ulrich, 1997), opposing interests between management and employees and centralising versus de-centralising HRM activities.

The comparison of a Dutch and a Japanese MNC in China illustrates how the approaches to reconcile these tensions vary cross-nationally. The tension between strategic and operational HRM roles is managed in both companies by subdividing the HRM function into corporate, line and internal consultancy units (Stiles & Trevor, 2006: 58). This indicates a coexistence of classic and neo-classical HRM work models. Apart from these similarities in structure, however, substantial differences prevail in managing the global integration of HRM activities. In the case of Philips operating in China, Stiles and Trevor find considerable efforts to manage
Organising HRM

This is realised for example through sharing resources for administrative HRM between the locally operating shared service centres, exchanging best practices between the division-specific HRM units responsible for consulting and executing business-specific HRM policies and programmes in the specific business divisions and by promoting consistency between the shared service centres and HRM in the business units through a functional HRM unit.

By contrast, in the Japanese MNC in China, although HRM work is also devolved to HRM units in the business divisions, some HRM activities (e.g. performance management) remain centralised in corporate HRM that also holds wide-ranging responsibilities for implementing HRM solutions. Within this structure of minimal coordination through corporate HRM, the HRM units in the Chinese divisions operate under a highly fragmented regional structure with ‘no transfer of knowledge or best practice’ (Stiles & Trevor, 2006: 59). The lack of coordination of HRM work between the business divisions in China is reflected in the inconsistency of HRM practices (e.g. different work conditions for same jobs). The finding that employment is considered as ‘an element of the production process’ (2006: 59) indicates that the local Chinese HRM units predominantly follow the classic HRM organisation.

Since the two firms operate in the same business and are similar in other contingency factors like expansion strategy, Stiles and Trevor see the different solutions for organising HRM work within the Chinese subsidiaries, one being integrated and the other one fragmented, as an indicator for the relevance of country of origin for how MNCs deal with tensions in organising HRM work (2006: 62). This illuminates that duality/paradox theory and institutional approaches are not mutually exclusive but complement each other. Duality/paradox theory highlights potentially interesting foci for comparisons of organising HRM work, whereas institutional approaches may explain how MNCs from particular national contexts address these foci (e.g. Ferner & Varul, 2000). Therefore, we think it is worth combining the two approaches in future studies to understand how MNCs organise their HRM work across different countries more fully.

KEY ISSUES AND FUTURE DIRECTIONS

Although the research reviewed in this chapter indicates substantial activity in the field of cross-national comparative research on organising HRM work, we would also like to suggest areas that deserve more attention. We highlight in this section three issues that we believe have interesting
potential to elaborate previous work. Research on some of these issues is already underway, and with the issues discussed below we intend to underline the importance of further moving in these directions.

The first issue concerns the elaboration of frameworks for studying the ways in which HRM work is organised in practice. There are multiple ways how HRM work can be allocated and coordinated within organisations. Emerging organisational forms like the Shared Service Centre (SSC) emphasise the interaction between HRM departments and line management and the devolvement of responsibility for implementing HRM from centralised HRM specialists to line managers. At the same time, they stress standardisation and self-services (Farndale et al., 2009; Reilly, 2000). The co-existence of multiple ways for delivering HRM tasks in practical models means that HRM scholars are confronted with a high complexity when they want to compare the variety of forms of organising HRM empirically. We see the current challenge for HRM scholars particularly in expanding their research to more recent organisational forms. Several authors have started to structure alternative forms for organising HRM work. They have identified such forms empirically (e.g.; Ulrich et al., 2008; Valverde et al., 2006) and they have developed frameworks for particular types of organisations such as MNCs (e.g. Farndale et al., 2010; Scullion & Starkey, 2000; Stiles & Trevor, 2006). The scheme that we have introduced in this chapter is applicable to any organisational setting and we are convinced that it offers a useful device for conducting future research in this field, in particular for developing a theory-guided way for structuring the multiple HRM organisational forms in practice.

The second basic issue concerns the shift from descriptive research to explanatory research designs. Although descriptive research has provided rich data on cross-national differences and similarities, explanations are still very much in their infancy. While our overview also indicates that theoretical perspectives have received considerable attention, we still lack an understanding of what drives the variety of HRM work forms. This may be for several reasons: (1) conceptual perspectives and empirical analyses are sometimes loosely coupled, i.e. theoretical approaches are discussed but it remains relatively vague how they exactly relate to the area under study. To address such problems, future research should be devoted to developing testable, theoretically grounded frameworks that can serve as guides to new empirical research. (2) The range of theoretical frameworks for comparative research is not fully explored. While contingency and institutional perspectives have received a fair amount of attention, paradox/duality and cultural approaches are still underused. (3) We believe that a combination of different theoretical perspectives is fruitful for improving our understanding of HRM work forms. This goes together
with the need to examine relationships between drivers of organisational forms. Jennings et al. explain that: ‘while no one factor seems to provide a unique rationale for bureaucratization in corporate HRM systems, several factors seem necessary for its development’ (1995: 354). The combination of national and organisational factors is a useful step in this direction.

The third basic issue of need concerns the constructs for cross-national comparative research. As we observe a focus on survey-based research in our review, two areas deserve attention to tackle this issue. (1) The direct assessment of explanatory factors: often, HRM scholars have used countries as proxies for constructs instead of assessing these factors directly. When different theoretical perspectives classify country in a similar manner, the difficulty is that findings cannot be uniquely attributed to one theoretical perspective. This hinders the theoretical development of the field. Additionally, national contexts may provide too broad categories that do not adequately represent the explanatory factors themselves. Supporting this concern, Jennings et al. (1995) argue that the United States, although nominally a liberal market capitalism, has elements of a stakeholder approach (i.e. responsibilities to customers, communities and employees). (2) We examine the issue of ‘comparing like with the like’ (Wächter et al., 2006: 249). For example, when HRM departments consume plenty of resources, this can either signify large administrative tasks or indicate involvement in additional strategic activities. To tackle such differences in meanings, we suggest that a combination of quantitative and qualitative research methods will be beneficial for interpreting data.

CONCLUSION

Managing people requires organisations to make decisions about how different units contribute to this work and coordinate their activities with each other. Recognising the growing interest in the impact of national contexts on organising HRM work and given the purpose of this handbook, this chapter has provided an overview of comparative research on organising HRM work in a cross-national perspective. We have outlined three alternatives that companies may employ for organising HRM work – classic, neo-classical and modern - and sketched out four theoretical perspectives that provide answers about which factors drive cross-national differences and similarities in organising HRM work – contingency theory, cultural, institutional approaches and paradox/duality theory. Our review of empirical work has shed light on core differences and similarities between national settings, has assessed the extent to which particular
theoretical perspectives have been used so far and what major findings they have produced. The literature reviewed in this chapter has strengthened our impression that the national setting exerts considerable influence on how companies organise HRM work. We reasoned that future research comparing HRM work in a cross-national perspective should focus more on the following aspects: (1) to expand the focus of research on modern HRM models needed for increasing numbers of flexible, network and project organisations, (2) employ theoretical frameworks that help in understanding cross-national developments, and (3) to develop robust constructs for empirical research.

NOTES

1. Acknowledgements: We would like to thank Hartmut Wächter for his constructive and detailed comments on an earlier draft of this chapter. Also thanks to Freddy Hällsten for his helpful feedback on issues discussed in the chapter.
2. The meaning of ‘modern’ is not ‘more recent’ or ‘better’ but it is used as an alternative to imply a systems development perspective.
4. Despite subtle differences between the concepts paradox, duality and dilemma, the conceptual and empirical work can be perceived as one school of thought (Ehnert, I. 2009. *Sustainable Human Resource Management: a Conceptual and Exploratory Analysis from a Paradox Perspective*. Heidelberg: Physica-Verlag).

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