

A Short Review of Various Models of International Human Resource Management

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Abstract

Nowadays, organizations are going international to capitalize on the opportunities in terms of a bigger market, cheaper resources, and flexible policies. Various types of organizations are working at the international level. They are like international companies, multinational companies, global organizations, translational organizations, international schools, international universities, etc. For this, managers need to upskill themselves to promote their organization at the international level. But we often see, a lack of proper skillset causes organizational conflict, and thus, productivity is hampered. This article is suitable for entry-level managers as well as students of human resource management who will lead a company at the international level in the upcoming days.

Keywords: International; Human Resource; Management; Upskill; Managers; Students.

INTRODUCTION

International Human Resource Management is a group of management activities that are practiced at the international level. International human resource management (IHRM) represents an important dimension of international management.¹ In a multinational organization, International Human Resource Management plays

an important role in strengthening the relationships between the organization & employees. Sometimes, employees at all levels belong to different cultures and values. In that case, the task of International Human Resource Management is to equate two parties and bring them to a common ground to reach organizational goals. This is not easy but requires scientific management skills. But nowadays, we observe that in many organizations managers are not capable enough to manage cross-cultural differences among employees. This creates conflict and makes the working environment very toxic. I am working in an organization as a teacher where both domestic and international Human Resource Management are practiced. What I feel most, the problem is at the root and therefore, managers need to know the models of International Human Resource Management very well. In this article, I am trying to give an overall idea about various models of Human Resource Management.

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Managers can apply those according to various situations that exist in their organization.

MODELS

Various models of International human resource management are as follows.

A. Matching Model

1. This Model is considered as first IHRM model.
2. It was developed by Fombrun *et al.* (1984) at Michigan Business School. Hence, it is also referred as the the Fombrun model.²
3. This model emphasizes the four functions of management and the interrelatedness between them. These are Selection, Appraisal, Development & Rewards.



Fig. 1: Fombrun HR cycle³

4. It emphasizes on tight fit between HR strategy & and business strategy. To some, this model has more focus on organizational benefit rather than employee benefit.
5. There are two assumptions under this model:
 - a. The most effective means of managing people will vary from organization to organization and is based on business models or strategies.
 - b. Universalism, meaning conflict should not exist in the workplace and that employers and employees should work together to achieve the same goal. This model has formed the basis for the 'best fit' school of HRM (Beardwell & Thompson, 2017).⁴
6. Now come to the point, why this is considered as Matching model? This is because it demands available human resources must be matched with jobs in the organization.

PERSONAL STATEMENT

In my experience, all human beings expect something while working. This expectation means reward in the form of money or in the form of other benefits of their personal space. Therefore, no organization can survive without thinking the employee benefits. When employees are feeling motivated, productivity will be automatically high. Moreover, there are some cases where employees are hired based on their skills. But time may demand more skills and more efficiency. This needs proper training. Hence, Selection, Appraisal, Development, and Rewards should be managed in a balanced way. To avoid conflict and biases, managers need to learn the skills of balancing and equalizing without making partiality. This is how we create peace in a working environment.

B. Harvard Model

1. The Harvard Model of HRM is a framework that helps organizations utilize their human resources based on their strategic needs.
2. It mainly focuses on the human or employees which indicates the soft aspects of Human Resource Management.
3. This model was initially introduced in 1984 in the book "Managing Human Assets" by Michael Beer, Bert A. Spector, and Richard E. Walton, who were a group of experts at Harvard University.⁵
4. This model consists of five components namely stakeholders, interests, situational factors, HRM policy choices, HR outcomes, and long-term consequences. The following Fig. best describes the Harvard model.

PERSONAL STATEMENT

To me, the Harvard model looks perfect for organizational management but it has some loopholes too. Let us discuss about advantages and disadvantages of the Harvard model of HRM. The advantages are that it provides concepts of improved HR workflows, better work and reward systems, better management, broader HRM context, increased well-being of human capital, and alignment between HR and organizational strategies. On the other hand, the disadvantages are that it is a time consuming process, it is hard to put into action and it lacks advice. In a nutshell, the basic purpose of this model is to emphasize the employee

employer relationship in the organization which is crucial to achieve organizational goals. It also

highlights the interests of different stakeholders of the organization.

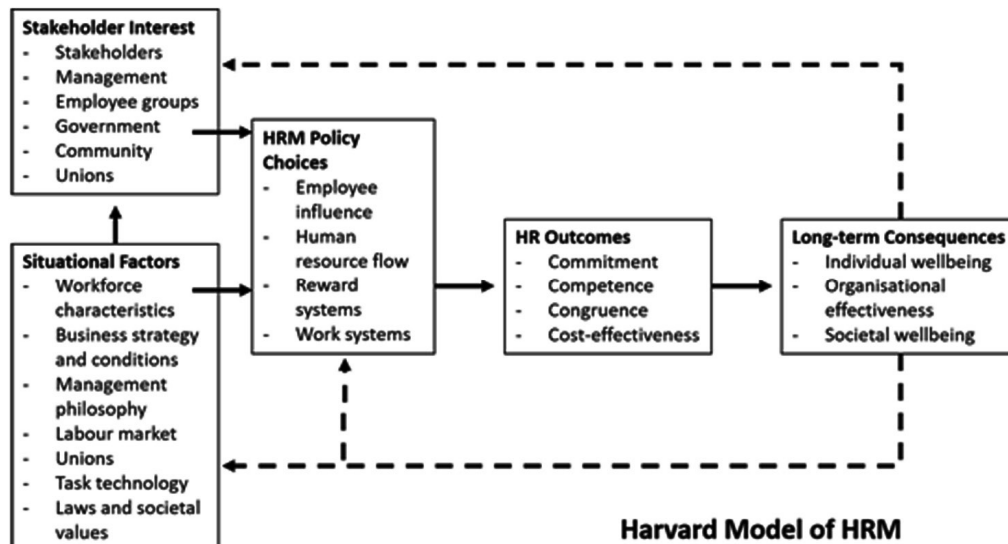


Fig. 2: Harvard model of HRM⁶

C. Contextual Model

Various approaches that are followed by the organization to achieve the same results are basically due to the external environmental context. Various factors such as socioeconomic, technological, political, cultural, legal, etc. matter in organizational output. These are underestimated in other models.

The contextual classification of variables given by Shapiro, et.al (2007)⁷ is as follows:

1. Context of Time and Space which includes Historical, Geographical, and Personal Space
2. Social, Technical, Economic and Political context
3. Cultural context which includes Behaviours, Values, beliefs, and Assumptions
4. Psychological context
5. Philosophical context
6. Context of Communication
7. Sensory context

The proponents of the contextual model of HRM believe different proportions of the contextual variables and design a specific context model of HRM. A model applicable to one context cannot be applied to another.

Personal Statement

Organizations are indeed different; people

are different and their business interests are also different. Hence, it is hard to generalize a specific context. But I can say all the factors that are mentioned as the context matter. In the case of my profession, I do not feel comfortable in online classes if there is any kind of technological issue. Technological issue creates communication gaps and the entire class hampers. This create chaos in the routine management of our organization and puts asking marks in the timely completion of the syllabus before the examination. As a result, a chain is hampered and negative feedbacks are generated among students. Ultimately, business hampers. It is similar to any kind of manufacturing industry. However, I can say this model is hypothetically true for any kind of organization as productivity depends upon various contexts.

D. 5P Model

1. The 5P's HRM Model is a form of strategic HRM developed in 1992 by Randall S. Schuler.
2. As its name suggests, the 5P Model is based on five constitutional aspects: Purpose, Principles, Processes, People, and Performance. According to this framework, aligning and balancing these five principles leads to achieving company success.

The 5P's Model defines

Purpose as the organization's vision, mission,

and primary objectives;

Principles are defined as operational protocols set to lead to achieving a purpose;

Processes include organization architecture, systems, and methods of operation;

People are the vital HR resource performing tasks in line with the appointed principles and processes;

Performance, ultimately, is a result that can be measured by the appropriate standards.

PERSONAL STATEMENT

In my view, this is a very good and effective model concept if applied properly. Any kind of organization must have a purpose for any of its objectives. To obtain that, the organization must ensure proper principles. Process, people & and performances are key factors also. Once M.S Dhoni said, "The process is more important than the

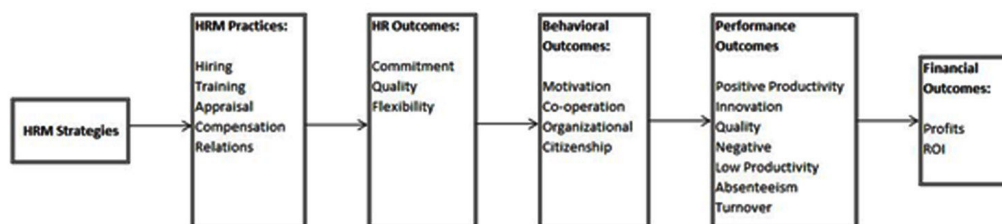


Fig. 3: The Guest Model of HRM⁸

PERSONAL STATEMENT

To me, this model describes the ultimate business goal keeping aside the other business factors. This model is good for making business oriented decisions as finance is considered as blood of any business. The major benefits that are associated with this model are as follows. It includes commitment, motivation, quality and productivity, turnover, profits, etc.

F. The European Model

1. According to the European model, Human resource management is the responsibility of line managers whereas human resource managers assist and advise the line managers in this process. A line manager is responsible for overseeing and managing employees

results. And if you take care of the process, you will get the results." Just like the cricket field, this statement applies to any organization to achieve its business targets. But what I think, this model does not verify the obstacles or limitations. This is hypothetical and good like philosophy. Reality grounds are missing. Maybe, many organizations are following these P's but are not successful because of a lack of resources. I must refer to some more research and case studies regarding this.

E. Guest Model

1. The guest model was developed by David Guest in 1997.
2. According to this model, the HR manager must analyze the following six dimensions. These are:

HRM Strategies, HRM Practices, HR outcomes, Behavioural outcomes, Performance outcomes, and Financial outcomes.

to fulfill business goals. They are the main point of contact between the management and the staff.

2. Human resource management deals with various functions like recruitment, selection, appraisal, training and development, remuneration, etc. but the way these functions are performed varies from country to country and region to region because of cultural variation.
3. Culture influences human resource management practices which in turn affects the organizational culture. Organizational culture in turn influences culture in general making it a vicious circle. Hence, human resource managers should take the culture of the country or the region into consideration while formulating human resource policies and functions.
4. Geert Hofstede identified four dimensions of culture viz. Power distance, Uncertainty

Avoidance, Individualism, and Masculinity/ Femininity. Even cultural variation is found

between various European countries.

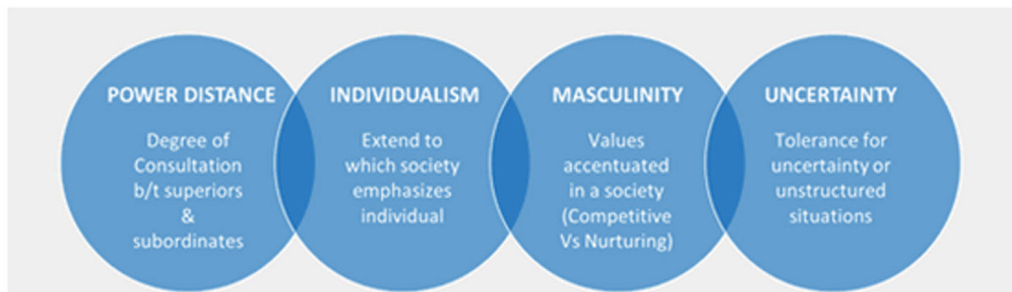


Fig. 4: Hofstede’s four dimensions of culture⁹

Personal Statement: This model mainly focuses on culture-oriented HR practices and functions. Culture is indeed important to people as this carries emotional attachment with family and friends. To me, family is an integral part of human life. No one can live alone. As Maslow’s hierarchy said, we must consider the factors of love and belonging as a

part of motivation. Based on culture and rituals, the annual holidays of organizations are maintained. It helps people to manage their schedule and holiday planning with family and motivates them. This is a requirement to enhance productivity. In organizations where employees are happy, productivity is normally higher.

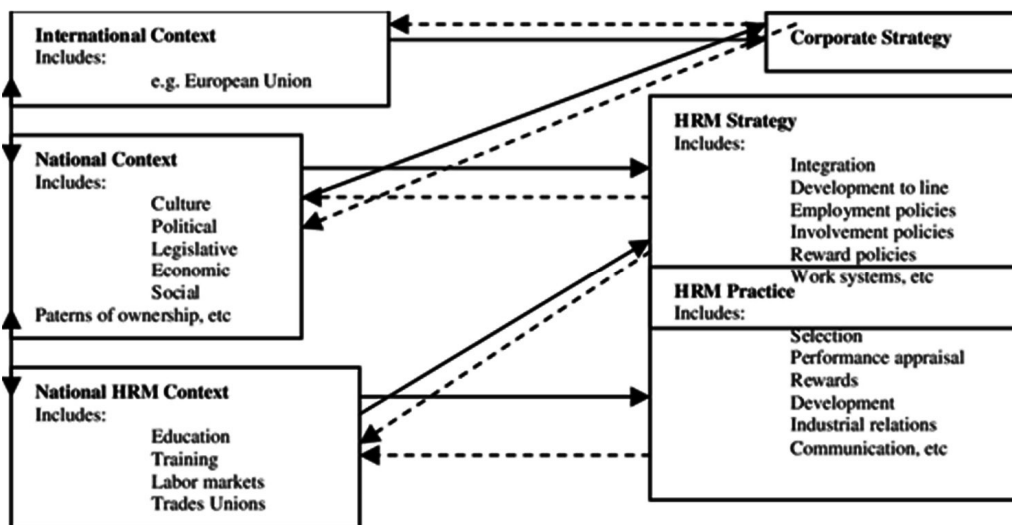


Fig. 5: Brewster’s European Model of HRM¹⁰

G. The US Model

- 1 Management practices in the USA are mostly influenced by the findings of F.W. Taylor.
- 2 US organizations emphasize knowledge rather than personality factors to perform the job.
- 3 Few people who possess knowledge are placed at the top level of the organizational hierarchy and rewarded with very high salaries. This causes wide salary differentials among employees at various levels.

Personal statement: Culture in the US is mainly performance oriented and individualistic. Therefore, industrial relations are an insignificant area of human resource management in the USA. Employee’s relationship with organizations is more commercial and short-run than social and long-run. Employers in the US take enhancement of employee skills and knowledge through training and development negatively as trained employees seek better jobs elsewhere. Hence, employees invest in the enhancement of their skills and look for jobs elsewhere.¹¹ To me, this is a practice of hard

HRM & against society. It seems the employers are selfish in nature and they are present only for doing business. This is not good for the economy also as this practice can give money to a group of people who are relatively sound on the financial side. Poor stays poor by these activities.

H. The Warwick Model

1. The Warwick Model of HRM was developed by Hendry and Pettigrew in 1990 at the University of Warwick.
2. This model emphasizes the importance of HRM in achieving organizational goals and suggests that the HR function should be integrated into the overall business strategy.
3. The Warwick Model of HRM is divided into Outer context, Inner context, Business strategy context, HRM context, and HRM content.
4. **Outer context** refers to the broader external environment in which an organization operates. It includes factors such as the economy, labor market, government regulations, and societal values.
5. **The inner context** refers to the internal environment of an organization, including its culture, structure, and leadership.
6. **The business strategy** context refers to the overall strategy of an organization. It includes factors such as market positioning, product/service offerings, and competitive advantage.
7. **The HRM context** includes factors such as recruitment and selection, training and development, performance management, and compensation and benefits.
8. **The HRM content** refers to the underlying principles and values that guide HR policies and practices.

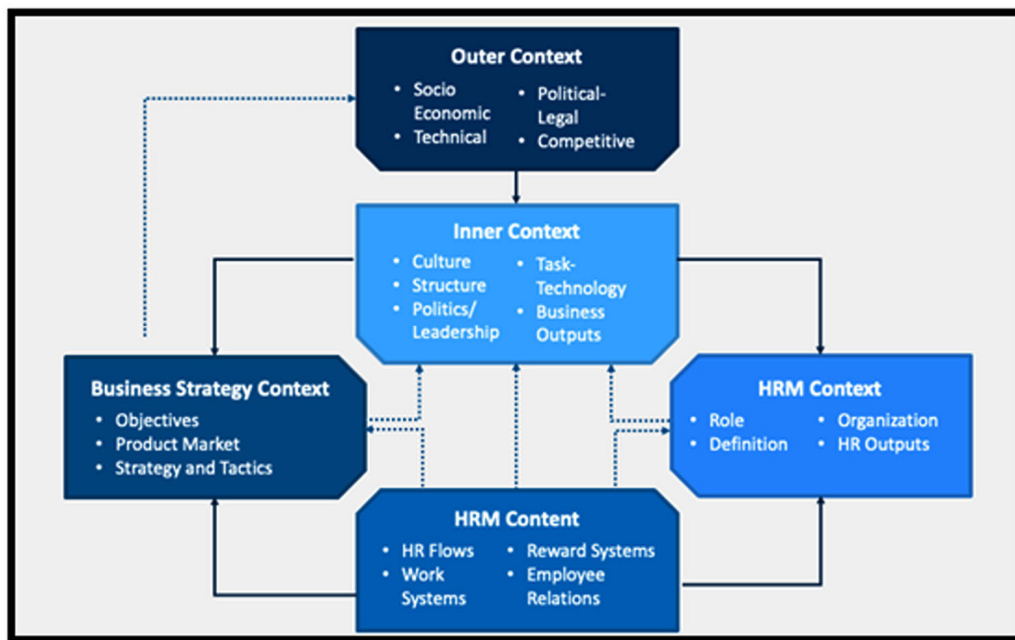


Fig. 6: Warwick Model of HRM¹²

Personal statement: To me, this is one of the best models of HRM practices as it considers all the organizational, environmental and HRM practices related to Human resource.

I. Model by John Storey

1. John Storey developed the Storey Model of Human Resource Management in 1989.
2. The model exemplifies the distinction
3. The components of this model are as follows
 - a. **Convictions and Presumptions:** It is the human asset that gives the upper hand. That employees' commitment should be the goal. Therefore, employees ought to be selected and trained with extreme

between the HRM paradigm and what Storey referred to as the "personnel and industrial" paradigm.

- care.
- b. **Strategic Concepts:** HR decisions are strategic because of the aforementioned factors; top management involvement is necessary. HR arrangements ought to be coordinated into the business methodology originating from it and, surprisingly, adding to it.
- c. **Line the board (Basic job of administrators):** Because of HR practice is basic to the center exercises of the business, it is too critical to ever be passed on to workforce experts alone.

- d. **Key levers:** Culture management is more important than system and procedure management. Coordinated approaches to selection, compensation, education, remuneration, and growth. Job redesign and restructuring to facilitate devolved responsibility and empowerment.
- 4. Storey also gave differences between Hard HRM and Soft HRM practices.

Characteristics	Soft HRM	Hard HRM
Employer Attitude	People Oriented, Considers HR as biggest assets	Task Oriented, Employee to just do the jobs as directed
Recruitment	Based on attitude, Potential, and integration with team	Based on ability to do the job, or to be trained
an ideal supervisor	People Manager, works with the team	Task Manager, delegation oriented
Objective Setting / flow	Cascading, Team members understands the bigger picture,	Employee know what needs to be done for the role.
Work Design	Continuous improvement, Redesign	Done in the ways as it has always been done.
Work place culture	Shared Culture. Smart Work	Usually Hierarchical, High Pressure, Hard Work,
Career Progression	Employee can plan career growth, has platform for advancement	Monotonous jobs, lack of career planning,
System & Tools	Effective and Smart systems	Manual / lack of focus to improve systems

Fig. 7: Difference between Soft & Hard HRM¹³

Personal Statement: To me, this model focuses on two different sides of work culture. One is the Organization side and the other one is the human side. However, this does not focus on other factors that are associated with employee and productivity relations.

- 7. Personnel management of unified white-collar and blue-collar employees. Let’s have a look at who are different collared employees.

PERSONAL STATEMENT

j. Japanese Model of HRM

The Japanese style HRM model comprises seven of the following policies. These are as follows.¹⁴

1. Selective once-a-year recruitment of new graduates.
2. Extensive company training and education.
3. Periodic pay rises and internal promotions based on evaluations.
4. Flexible job assignments and small group activities.
5. Employment security until the age of retirement.
6. Enterprise union and joint labor-management consultation.

This model was good for the past but as of my personal and professional experiences, this does not apply to all the sectors. For example, once a year recruitment to new graduates does not provide any solutions to the job seekers. Company training and education are not available to all sectors. Periodic pay rises and internal promotions based on evaluations are not seen in all organizations. Companies may cut the salary of the employees based on their business and revenue. This is common in the case of coaching sectors in India. Specifically in India, Govt. jobs are decreasing day by day. Most jobs are private sector jobs and therefore job security, retirement benefits are questionable matters. In the start-up ecosystem that India is currently experiencing, Union and labor-management consultations are very uncommon.

CONCLUSION

These all models are old and studied by various authors at different times. However, as a new HRM learner, I have studied and provided a short review of all of them. All the personal statements that I gave are the best of my knowledge and based on my professional as well as personal experiences. Still, I influence the readers to study a data based analysis of all those models and give an article shortly. Finally, I must add, that the best model in my view is the Warwick model which is accepted in every format in the present context of 2024. Thanks for reading.

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