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## Reconceptualizing Strategic International Human Resource Management in the Pursuit of MNC Sustainable Competitive Advantage

The main goal of the article is to offer a reconceptualized, albeit general, framework for the area of strategic international human resource management (SIHRM) and to present an integrative model for this field of practice and research, which identifies key factors and characteristics as well as their interrelationships in pursuing sustainable competitive advantage in MNCs. The paper is divided into seven sections. First, in a brief review of literature, the author outlines the conceptual development of SIHRM considered as a field that has developed simultaneously from both international human resource management (IHRM) and strategic human resource management (SHRM). The author presents theoretical and research streams in IHRM and scientific perspectives in SHRM. This is followed by a brief overview of selected SIHRM models. By extension, competitive advantage and sustainable competitive advantage are also discussed. In further sections of the paper, two other important issues are looked into—human resource capital (HRC) as a sustainable competitive factor within SIHRM as well as measures of SIHRM efficiency, effectiveness, and efficacy. All this forms a partial foundation for the integrative concept of SIHRM in the MNC model proposed by the author in a successive section. Final conclusions make up the last part of the paper.

**Keywords:** strategic international human resource management, human capital resources, value added, sustainable competitive advantage.

### Introduction

The ongoing internationalization of companies and globalization of the worldwide economy increase the requirement for understanding ways in which multinational companies (MNCs) operate and may operate more effectively. It is mainly for this reason that we have been observing increasing worldwide development in theoretic-

cal and empirical research devoted to human resource management (HRM) in these types of enterprises over the last two decades.<sup>1</sup> As a result, there are more and more scientific papers in which the main object of interest involves international human resource management (IHRM) (see Briscoe et al., 2008; Harzing, 2010; Brewster et al. 2011; Pocztowski, 2002; Schroeder, 2010) or strategic international human resource management (SIHRM) (see Brewster et al, 2011; Stor, 2011). The latter one is even considered not only as a successive stage of the HRM function's evolutionary development, but also a scientific subdiscipline of HRM (see Stor, 2011).

SIHRM is also regarded as a field that has developed simultaneously from IHRM and SHRM (strategic human resource management). Thus, it encompasses three theoretical and research streams set apart within IHRM—corporate–international HRM, cross–cultural HRM, and comparative HRM (compare Boxall, 1995:9; Schuler, 2000:240; Clark et al., 2000:8; Sparrow et al., 2003:3; Keating and Thompson, 2003:2, Stor, 2011). However, some convergence in these three fields has been observed as the years pass (compare Budhwar and Sparrow, 2002). At the same time, four scientific perspectives from SHRM—universalistic, contingency, configurational, and contextual—have been adopted into SIHRM (Jackson et al., 1989; Brewster, 1995; Delery and Doty, 1996; Clegg et al., 1999, Alcázar et al., 2003:1, Koen, 2005:5–15; Stor, 2011).

In this context, several other theoretical and empirical research developments consider human resources as a company's competitive factor (see Dyer, 1993; Becker et al., 2001; Huselid and Barnes, 2003; Becker et al., 2009; Huselid and Becker, 2011; Campbell, 2012). The main object of interest in those projects is usually a measurable input that is made by HRM into a company as well as correlations between various external and internal HRM configurations that determine value added. All this is based on the assumption that the HRM function is unique. This is because both the outputs (employee behaviors) of the system and the system itself are potential sources of competence (Taylor et al, 1996:963). The relationship between SIHRM and MNC goals and strategies is theorized to be reciprocal. SIHRM is perceived to assist the MNC in achieving its goals and concerns, where these goals and concerns also influence the MNC's approach to SIHRM. Anyway, SIHRM is perceived as a field that has developed through the extension of HRM to SHRM and inclusion of IHRM (De Cieri et al, 1998). More than twenty years have already passed since the first most quoted SIHRM models were developed.

1 MNC is usually defined as an economic entity whose particular components (elements of organizational structure) are localized in more than one country (Stor, 2010:701).

Hence, the main goal of this article is to offer a reconceptualized, albeit general, framework for the area of SIHRM and to present an integrative model for this field of practice and research that identifies key factors and characteristics and their interrelationships in pursuing sustainable competitive advantage in MNCs.

**Modeling the SIHRM Concept**

The field of SIHRM has developed through the extension of HRM into SHRM and the inclusion of IHRM into theoretical consideration and empirical studies. What SIHRM most certainly has in common with IHRM is a need to operate on the overlap of the same three theoretical and research streams set apart within IHRM—corporate–international HRM, cross–cultural HRM, and comparative HRM. What connects SIHRM with SHRM is the application of the same four scientific perspectives that were defined within SHRM—universalistic, contingency, configurational, and contextual.

The first models taking up a synchronic perspective—covering both strategic and international issues within the scope of HRM in MNCs—appeared in the 1990s and have been further developed in various ways. The models that are well-grounded in scientific literature are listed in Table No. 1.

**Table No. 1. Selected SIHRM Models**

YEAR	TITLE	AUTHORS
1990	Two step contingency model for developing effective IHRM practices	M. A. Von Glinow and J. Milliman
1991	Four fits of SIHRM	J. Millimana, M. A. Von Glinow and M. Nathan
1993	An integrative framework of SIHRM in MNCs	R. S. Schuler, P. Dowling, and H. De Cieri
1996	A SIHRM model	S. Taylor, S. Beechlera, and N. Napier
2002	The integrated framework of factors determining cross–national HRM practices	P. S. Budhwar and P. R. Sparrow
2003	The global HRM model	P. Sparrow, H. Harris, and C. Brewster
2007	The thematic framework on IHRM in MNCs	R. S. Schuler and I. Tarique
2011	The SIHRM model in TNCs	M. Stor
2013	A conceptual framework for SIHRM for emerging MNCs	C. Zheng

Source: Own literature review.

To give the gist of the content of the models, it is enough to say that they tend to analyze SIHRM issues at different organizational levels, with or without connections to the product cycle, paying more or less attention to exogenous and endogenous environmental factors as well as different stakeholders, identifying various drivers and enablers of HRM and its strategies in MNCs, underlying the significance of external and internal SIHRM coherence, and disaggregating SIHRM into various functions and subfunctions. What accompanies all these conceptual developments is the absolute conviction that there is a clear necessity of theoretical, empirical, and business–practical character to treat HRM and its strategies in MNCs with some special concern. At the same time, another observation is that many authors, when writing about SIHRM, apart from those cited in Table No. 3, refer to Schuler, P. Dowling, and H. De Cieri’s definition in which SIHRM means human resource management issues, functions, and policies as well as practices that result from the strategic activities of MNCs and that impact the international concerns and goals of those enterprises (Schuler et al., 1993). A last remark, but certainly not of least importance, is that although the concept of human resources treated as a sustainable competitive factor of a company within SIHRM seems to be well–grounded, it is rather poorly presented in the conceptual models of SIHRM themselves.

### **Competitive Advantage and Sustainable Competitive Advantage**

The basic foundation of both SHRM and SIHRM lies in human resources enabling the company to gain a competitive edge. Competitive advantage occurs when an organization acquires or develops attributes or combinations of attributes that allow it to outperform its competitors. There are also chances that competitive advantage can become sustainable competitive advantage.

Within the resource–based view, a sustained competitive advantage exists only when other firms are incapable of duplicating the benefits of the competitive advantage. Thus, a competitive advantage is not considered sustained until all efforts by competitors to duplicate the advantage have ceased. A company’s management may create conditions under which the human capital pool becomes a source of sustained competitive advantage. This means they play an important role in developing sustained competitive advantage through the development of the human capital pool and through moderating the relationship between this pool and sustained competitive advantage by affecting HR behavior. This also explains the rationale behind the statement that sustained competitive advantage is only achieved by interaction between the human capital pool and HR practices and that the role of managers, then, is to recognize, develop, and exploit the resources within the firm (Wright et al, 1993). Thus, rather than having rare individual resources, the mix

of resources and the way they are used in combination is what is rare and unique and what may provide sustained competitive advantage.

Another foundation in the strategic and resource-based view is that resources can provide competitive advantage only when they are valuable, rare, inimitable, and nonsubstitutable (Barney, 1991). These characteristics of resources—known as the Barney VRIN model—have been of particular significance in SHRM research. This is because the model provides a compelling explanation for how human resources can generate competitive advantage. Two major streams of research have looked at human capital and capability to manage human capital. The human capital approach views employees at all levels forming the human capital stock of the firm—a source of competitive advantage. On the other hand, the capability approach sees knowledge and the capacity to manage human capital as creating a company's competitive advantage. Initially, resources and capabilities were assumed to be static, but with time, a shift in the paradigm called for the dynamic capabilities of companies to meet the demands of dynamic environments. Dynamic capabilities suggest that sustainable advantage comes from capabilities that can develop, reconfigure, and renew the resource base through organizational learning, enabling the firm to adapt faster than its competition. Specifically, dynamic capabilities require an effectively used HRM system to establish processes to change and renew the firm's resource base (Clark and Lengnick-Hall, 2012:3818–3819; Antczak, 2013). J. Barney describes competitive advantage as occurring when a firm is implementing a value creating strategy that is not simultaneously being implemented by any current or potential competitors (Barney, 1991: 102). SHRM researchers have suggested that HRM practices can be a source of competitive advantage by producing a specific set of behaviors from employees aligned with business strategy. Anyway, the characteristics of individuals do not provide value to the firm unless they are utilized through employee behavior.

### **HRC as a Sustainable Competitive Factor within SIHRM**

What justifies the idea of perceiving human resources as a potential source of sustainable competitive advantage of MNCs is the key role that human resources play in the process of corporate strategy development and implementation (Pocztowski, 2002: 44). Therefore it is necessary to consider these resources as strategic investment capital. Hence, it is reasonable to use the term *human capital resources* (HCR), although in literature it is often referred to as just *human capital* (compare Ployhart, Moliterno, 2011). Such a conceptualization of SIHRM is an expression of a specific approach toward employees that involves both the resource-based view and the capital-based view. In the first view, attention is mostly paid to cost and the efficient

use of resources, whereas within the second one, it is investment and value added creation that inspire the most (compare Barney, 1991:99–120; Wright et al., 1993:29; McMahan et al., 1998: 199–203; Jamka, 2011; Przytuła, 2011, Mesjasz, 2011, Campbell et al, 2012; Kawka, 2013; Tracz–Krupa, 2013). Through such handling, an international company can gain, maintain, and develop its competitive edge thanks to people treated as:

a) A resource that is valuable (possesses some value), rare (possesses certain unique features), inimitable (imperfectly imitable), and nonsubstitutable (imperfectly substitutable), but also as

b) A capital asset that is a source of present and future incomes, and that through investment made in this asset, can bring an expected return in the form of benefits or value added inputs.

There is no common agreement in literature between authors on just what *human capital resources in a business organization* are (see Afrouni, 2013). However, from the general organizational point of view, they may be defined as intangible collective resources possessed by individuals and groups within a given company's population. In more economic and managerial terms, they may be explained as the stock of competencies and competences<sup>2</sup> anchored in knowledge, skills, wisdom, behaviors, experience, psychological dispositions, social and personality attributes, including creativity, and cognitive abilities, embodied in the ability, capacity, and capability<sup>3</sup> to perform labor so as to produce economic value in a company and to gain it a competitive advantage.

Human capital literature, following Becker (1964), often distinguishes between:

- **Specific human capital**, which refers to what is useful only to a single job or employer, and
- **General human capital**, which is useful across jobs or to all employers.

Literature also focuses on value added, which human capital resources are expected to create, where this creation can be stimulated and supported through prop-

2 Although competence and competency look and sound alike, they are not synonymous. *Competence* (plural – competences) means a potential ability or a potential capability to function in a given situation while *competency* (plural – competencies) focuses on actual performance in a situation. Thus, competences make employees capable of fulfilling their job responsibilities and their competencies make them perform their jobs as expected. In other words, competencies are determined by comparing where the employees are now with established performance standards developed in the work environment according to their roles and setting based on standard (template) competences. This means an employee needs competence before he or she can expect to achieve competency.

3 In this context, *capacity* means having a quality that arises from within, something that is inborn, versus something that is learned or acquired like an *ability*, which is learned. *Capability*, meanwhile, is the ability to perform or achieve certain actions or outcomes, and often refers to extremes of ability.

erly selected HRM strategies. In a very general sense, strategies, like human capital, can be considered as general and specific, meaning those that can be used in most companies and those that are useful to a single firm.

Different perspectives on increasing value added as a contributor to organizational competitive advantage are evident in business and management research. However, what is proposed in this article is a **two-dimensional perspective** on SIHRM strategies that are to provide opportunities for value added creation:

- 1) The extent to which a given type of human capital resource is utilized, meaning general and/or specific, and
- 2) The extent to which a given type of value added is created, that is conceptual and/or operational.

In a MNC, with a comparison to a home business, the understanding of what is general and what is specific may differ a lot. For example, in a MNC, HQ usually use the general human capital employed at the HQ to build general corporate HRM strategies and substrategies that are to provide corporationwide opportunities for value added creation. To then make them locally responsive and adequate, HQ needs to utilize specific human capital resources that are mostly available at the local subsidiary level. In practice, this means that conceptual value added is created at the local subsidiary's level when general corporate SIHRM strategies and substrategies are converted into local SIHRM strategies and substrategies. These primary local conceptual developments are then implemented into local business practice, and again, as in most cases, by the utilization of local human capital resources. Firstly, the general human capital may be used to develop a general framework for implementation. However, to respond to local external and internal requirements, specific human capital resources need to be applied. The main goal is to convert general managerial and employee behaviors into the specific ones. This results in the creation of operational value added at the local level, which is connected with the actual behaviors and performance of people. As a consequence, we receive four primary combinations of perspectives on gaining sustainable competitive advantage through SIHRM (graphically presented in Figure No. 1):

- 1) **Conceptual value added and general human capital resources** – covered in general HRM strategies and substrategies,
- 2) **Conceptual value added and specific human capital resources** – demanding specific HRM strategies and substrategies,
- 3) **Operational value added and general human capital resources** – encompassed in general managerial and employee behaviors, and
- 4) **Operational value added and specific human capital resources** – involving specific managerial and employee behaviors.

**Figure No. 1.** The Matrix of Perspectives on Gaining Sustainable Competitive Advantage through SIHRM

<b>GENERAL HUMAN CAPITAL RESOURCES</b>		<b>CONCEPTUAL VALUE ADDED</b>
General HRM strategy and substrategies	General managerial and employee behaviors	
<b>SPECIFIC HUMAN CAPITAL RESOURCES</b>		<b>OPERATIONAL VALUE ADDED</b>
Specific HRM strategy and substrategies	Specific managerial and employee behaviors	

Source: Own concept

Considering these three components within SIHRM—type of human capital resources, type of value added, and type of SIHRM strategies—there is the requirement for the MNC to balance the need for differentiation of each subsidiary, allowing these subsidiaries to adapt to their local environment, while still integrating the subsidiaries in order to achieve the goals of the MNC. The major objective is to allow them to be responsive and effective in the local environment, yet to be ready and willing to act in a coordinated fashion with the rest of the MNC (Laurent, 1986; Schuler, et al., 1993). Probably, this is the major issue that MNCs face in SIHRM.

In this context, the role of SIHRM is to ensure that at different management ladders and in different areas of company's performance (Schuler, 2000:249):

- HRM strategies and organizationwide strategies are integrated,
- HRM practices are consistent both across policy areas and across hierarchies,
- HRM practices are adjusted, accepted, and used both by line managers and employees in their everyday work, and
- Certain personnel activities are recognized as a part of the everyday work of the whole of the organization's community.

Hence, the specific objects of interest are SIHRM strategies in MNCs. These strategies should make a coherent and unique configuration of activities covering a layout of long-term goals, formulate rules and programs oriented toward creating and utilizing human capital in a manner that leads to generating value for an organization, and gaining a sustainable competitive advantage by the organization (Pocztowski, 2007:60). It is worth noting that it is only SIHRM strategies that the value of



human capital depends on, and particularly that of the managerial staff (Mailach et al., 2004:59). This leads to a conclusion that what happens here is mutual feedback. The quality of formulated SIHRM strategies as well as the degree of their implementation depends on human capital resources, while at the same time, these human capital resources are shaped as a result of the application of these strategies.

### SIHRM Measures of Efficiency, Effectiveness, and Efficacy

As mentioned previously, the main object of interest in both the resource-based view and the capital-based view is the measurable input that is made by HRM into a company. Measuring SIHRM effectiveness and efficiency in a MNC is much more complicated than in the case of a domestic enterprise. One of the reasons for this is that in the case of a domestic company, one calculates HRM efficiency and effectiveness in generally the same environment. In the case of a MNC, there may be as many environments as foreign subsidiaries. Thus, it may be impossible to evaluate and compare the performance results achieved by various local subsidiaries. Nevertheless, **within the economic sciences** one can assume that (Stor, 2012):

- **Efficiency** – is the ratio of output to input,
- **Effectiveness** – is the extent or degree to which targeted objectives are achieved, and
- **Efficacy** – is the capacity and/or capability of something/somebody to produce an effect.

Hence **the HRM function can be judged** as (Stor, 2012):

- **Efficiently ineffective** – keeping cost down, but ultimately not really providing the services the internal customers (or stakeholders) need,
- **Inefficiently effective** – providing proper service, but at prices that the company cannot afford,
- **Efficient and effective** – keeping cost down and providing proper service, and
- **Inefficient and ineffective** – providing poor, but expensive services to the internal customers (or stakeholders).

In business practice, the effectiveness of the HRM function is often judged in connection with efficiency criteria. This may cover such issues as whether personnel requisitions were promptly filled, whether the last knowledge management programs increased the value of human capital, whether the union contract was settled with a minimum of new and costly benefits, whether the rates of absenteeism and turnover were maintained or reduced, whether employee work commitment increased after the implementation of empowerment programs, and many others. The long-run effectiveness of the HRM function, however, both in terms of the

organization and the environment, often depends on it being somewhat inefficient, at least in the short–run. For example, preparing job descriptions, conducting orientation meetings, providing career, retirement, and outplacement counseling, and processing complaints, grievances, and suggestions are essentially inefficient activities. However, they are critical to long–run effectiveness. A continual trade–off goes on between efficiency and effectiveness in most organizations. Both are necessary. The ongoing problem, of course, is to determine an optimal mix (Wright et al, 1990:4–16). All this depends on HRM efficacy, in this case both human and organizational capacity and capability, to bring desired effects. Ideally, within HRM one expects that the right people do the right things right. Anyway, the measurement of efficiency,<sup>4</sup> effectiveness,<sup>5</sup> and efficacy<sup>6</sup> can take different forms and apply different instruments.

One of the fundamental problems that MNCs have to face is coping with the differences they experience between the home and host country. Success is often determined by the quality of social relations developed with internal and external stakeholders (e.g. local employees, business partners, professional associations, local officials, or even the government) in the destination country. These relations are built subject to different interpersonal situations, both formal and informal. Not surprisingly, research clearly shows that culture—one such difference—influences management practice. Many management concepts, techniques, and systems developed and taught in business schools are based on cultural beliefs, values, and assumptions about how managers and workers should behave, and they work well in the countries in which they were developed. However, these concepts, techniques, and systems may not work as intended in other cultures. If they are transferred to another country and used improperly, they can compound managers’ problems. Cultural differences, if not understood, can also pose significant barriers to the implementation and success of a business venture. In this context, MNCs have to make attempts to find the best measures for SIHRM efficiency, effectiveness, and efficacy as SIHRM is expected to help managers manage the companies and reach intended organizational goals. Determining the fundamental determinants for SIHRM efficiency, effectiveness, and efficacy for various organizational levels, at least

4 Example measures of HRM efficiency: cost of absence, number of external/internal recruitments, staff turnover, training hours per employee, number of accidents and compensation claims, and cost of labor hour to production unit.

5 Example measures of HRM effectiveness: differences in performance between external/internal recruitments, sufficiency of training programs, and appropriateness of employee motivating system for knowledge sharing.

6 Example measures of HRM efficacy: innovative capacity and capability of the employees, leadership potential, organizational capability to upgrade employee self–efficacy by appropriate mentors, and labor union and management cooperative capacity.

for HQ and local subsidiaries, may help MNCs determine some general framework for the evaluation of corporationwide SIHRM effectiveness, efficiency, and efficacy. As a result, this may also help in comparing the outcomes received at different local subsidiaries. But it should not be interpreted that a standardization of measures makes best practice or recommended action. While some standard measures may be acceptable or applicable worldwide, some may not and, when used in local subsidiaries, may even cause reverse effects. This is like imposing only collective-oriented measures when promoting creativity in teams. In highly individualistic cultures—e.g., American and Polish—performance appraisal or compensation system based only on team results may lead to what is known as “social loafing,” a well-known phenomena in international organizational studies. Thus, the recommendation is to use local measures as well, and particularly when the measures applied determine the opportunity for valued added creation through managerial and employee behaviors. All this may result in SIHRM strategies of higher quality as a product of higher quality strategy formulation and realization.

### **The Integrative Concept of the SIHRM Model in the MNC**

The discussion conducted in this article so far leads the author to the conclusion that the modeling approach to SIHRM needs a new perspective. Basically, it should be more oriented toward gaining sustainable competitive advantage through mutual relationships among the qualities of human capital resources, business and SIHRM strategies, environmental factors, and stakeholders as well as practices enhancing the provision of the best situational and contingency fits. This makes the author propose an updated and extended version of an own model of SIHRM in a MNC published previously (Stor, 2011:123–133).

The main goal of the model is to answer the question of how to structure relations between the SIHRM results and business results of a MNC at different organizational levels, and, considering the directions of these relations and results, how to provide appropriate conditions for value added creation in pursuing the sustainable competitive advantage of a MNC. Both the results of critical analysis of available international literature and own research experience taken from studies conducted in MNCs were inspirations for the author to come up with a modified SIHRM model. All this fosters the conclusion that SIHRM needs a more holistic depiction. This depiction should incorporate not only goals, needs, and corporationwide conditions that refer to a MNC as a whole—business enterprise (a MNC in its entirety), but the goals, needs, and conditions of local subsidiaries that compose that entirety as well. Of course, it is important to understand that local subsidiaries often form certain

quasi–separate business entities with various legal, capital, and ownership ties with their headquarters (HQ) and among themselves. More importantly, this is not about some different, understood as hierarchical, structurization of endogenous and exogenous factors of the environment and, what follows, exclusively about internal and external stakeholders. First and foremost, it is about opportunities to create value added at different organizational levels thanks to feedbacks and feedforwards that may emerge within various HRM activities between the levels. Therefore, opportunities for constructing the best solutions within both reactive and proactive strategies in a particular set of MNC circumstances are also provided, having in mind that the latter ones make up the basic characteristics of the contemporary approach to strategic management. The consequence is that the company can be capable of gaining sustainable competitive advantage through properly created and utilized human capital resources. Hence, the author's goal is to propose a dynamic model of SIHRM in which there is a clear departure from a static modeling of various relations between elements composing SIHRM in a MNC. What appears instead is a lucid and comprehensive orientation toward searching for chances and opportunities to find the best fit between internal and external SIHRM configurations. In light of these primary explanations, it may be said that the proposed model is of an integrative character as it assumes partial inclusion of the main scientific perspectives on SIHRM mentioned before—seeking a linear relationship between a company's performance and SHRM (universalistic), coherence between HRM and business strategies (contingency), making the most appropriate configuration of SHRM practices (configurational), and including multiple stakeholders framework (contextual).

A graphic visualization of the model being discussed is depicted in Figure No. 2. In the presented concept **SIHRM is defined** as decisions and actions that refer to employees, give direction for personnel operations in their long run, are oriented towards the realization of both

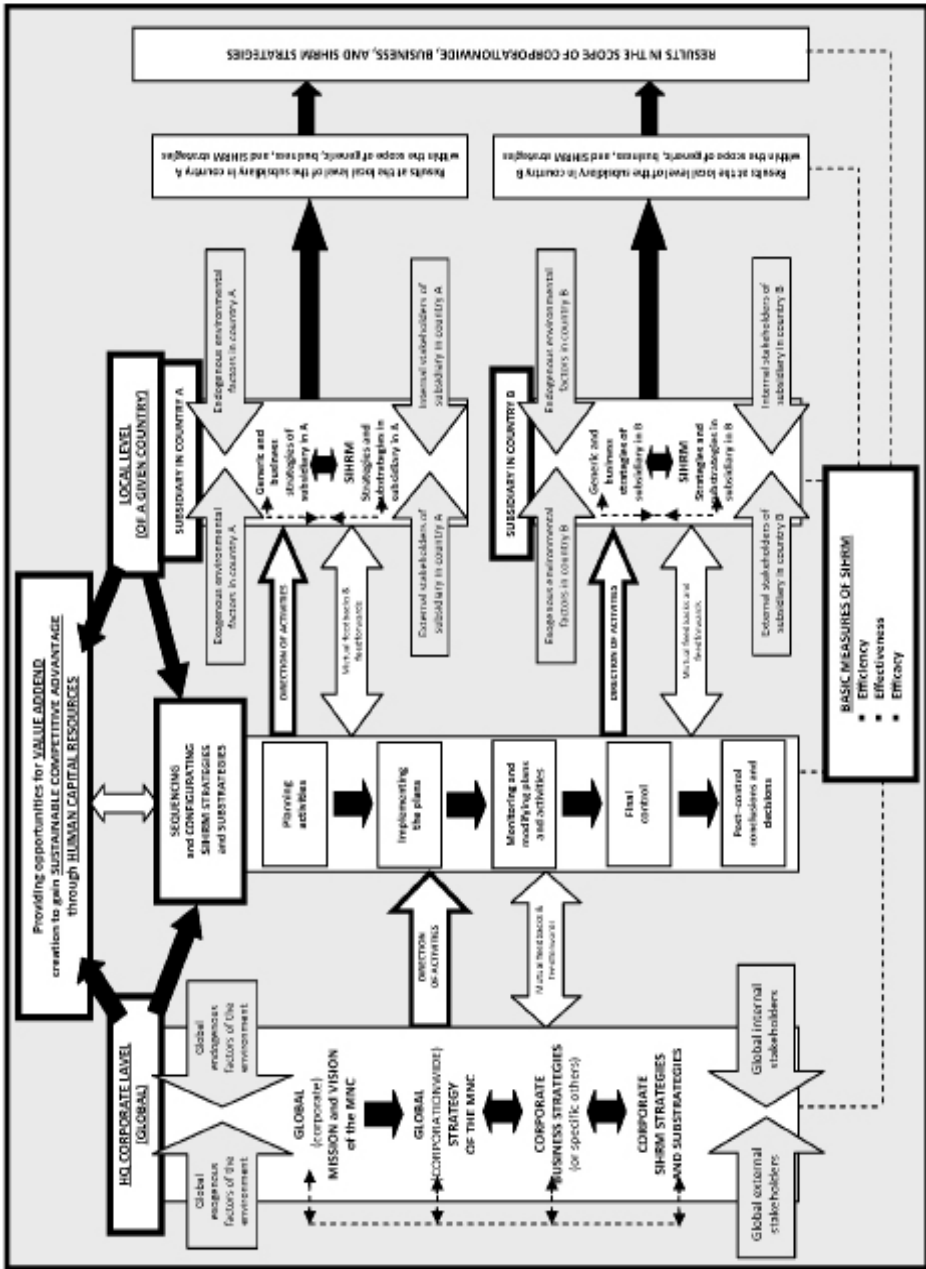
- 1) The multinational corporation's global and local objectives, and
- 2) Its socially diverse employee needs,

And are of substantial long–term significance to the organization's success and its sustainable competitive advantage on a global scale.

It follows that **the main objective of SIHRM** is to make the company gain its competitive edge and enable the organization to succeed through its human capital resources—that is, properly selected and satisfied employees with suitable qualifications.

In the presented model, SIHRM decisions and actions are taken, realized, and controlled at two basic levels (agreed at for modeling purposes)—corporate and local.

Figure No. 2. The SIHRM Model in MNC



Source: Updated and extended adaptation from the original version (Stor, 2011:126–127)

**The corporate level** usually means the HQ of a MNC—the main decision-making center in which mission and vision are formulated together with such **strategies as corporationwide**, business, product, competitive, and many others. Among them, there are **corporate SIHRM strategies and substrategies** that are formulated in association with the strategies mentioned before. The **emerging dependence interrelations** are mutual and this is presented in Figure No. 2 as a dashed line. The point is that strategies referring to human capital resources make not only a response to personnel requirements that enable the realization of corporationwide, business, or other strategies. It is also about **current and potential human resource capabilities**, and particularly the results of qualitative and quantitative analyses founded on them that the other strategies can be based on. **Sequencing and configuring SIHRM strategies and substrategies** takes place with continual mutual couplings between **particular stages** of their processing (realization) and goals as well as corporationwide and business strategies. The decisions and actions undertaken at the corporate level, also called global, consider both the **exogenous and endogenous environmental factors of global character** as well as stay under their influences. The **global external and internal stakeholders** are also taken into account.

**The local level** usually refers to a given country in which a local subsidiary is situated. When a MNC possesses several local subsidiaries in a given country, and each operates in a region of different cultural, ethnic, political, etc. characteristics, then the understanding of local level becomes more complicated. In such a situation we can even talk about a multilocal level. Anyway, two countries indicated in Figure No. 2 as A and B are given as examples of local levels. The strategies that are formulated at the corporate level are then detailed at this level. This may be analyzed in operational categories, which means passing to an operational level of management, but only if the perspective of corporate strategy realization is employed. The issue is that at the level of a local subsidiary, the basic levels of management can be distinguished as well—strategic, tactical, and operational. However, they all refer to the decisions and actions taking place at this local subsidiary's level. This is because in addition to the **detailing and operationalization of corporate SIHRM strategies and substrategies**, the **local subsidiary also formulates and realizes own goals and strategies** that comply with **local exogenous and endogenous conditions** and the interests of **local internal and external stakeholders**. The realization of corporate SIHRM strategies and substrategies is accompanied by mutual couplings between them as well as the goals and strategies of the local level. Again, this is depicted as a dashed line in Figure No. 2. Similarly, **sequencing and configuring SIHRM strategies and substrategies** take place with continual mu-

tual couplings between particular stages of their processing (realization) and various goals and strategies of the local level.

The presented levels serve only as an example and should be considered as agreed upon only for modeling purposes. It is a typical operation applied in theoretical models. In business practice, the organizational structures of MNCs are often much more complicated. However, what one should pay special attention to is the necessity of providing conditions for **mutual couplings** that are to ensure value added creation at each organizational level and in the biggest possible number of undertaken activities.

It is necessary to give some further explanations referring to the model being discussed. As presented in Figure No. 2, the activities connected with **sequencing and configuring SIHRM strategies and substrategies** are arranged in accordance with the **cycle of an organized activity**, which signifies three phases—**preparation, realization, and control**. SIHRM strategies and substrategies may be more or less of **general** or **specific** in character, as described previously. Apart from that, the particular **substrategies may refer to various functional** areas of SIHRM, like staffing, development, compensation, performance appraisal, etc.

Anyway, before the process of sequencing and configuring SIHRM strategies and substrategies starts, the management identifies and analyzes the current and future strategic demand of a MNC for **human capital resources, both of general and specific type**. Then these data are juxtaposed with the data received from an analysis of current and future strategic supply of human capital resources both outside and inside the company. As is typical in management, the supply and demand analyses forms the basis for SIHRM strategies and substrategies formulation. The strategic supply and demand differ from the ordinary supply and demand since the former are of extremely and long term significance to the organization and influence the realization of goals and tasks in a meaningful way, often even making a necessary condition for organization success. After the strategies (and substrategies) are formulated, **plans** for their realization are developed. This is why the activity planning stage that leads to strategy achievement is the first stage of sequencing and configuring SIHRM strategies and substrategies in the presented model concept. The next stage relies on **executing the predetermined plans**. Some of the plans are passed on to lower organizational levels in order for them to be detailed, including adjustment to local conditions, and ultimately for them to be implemented. The realization of plans is under **current control** since one has to **monitor advancements and achievements** in the realization of SIHRM strategies and substrategies. When some **necessary modifications** to plans and activities are identified, then the proper changes are implemented during the monitoring stage. The

modifications may be necessary due to changing circumstances, company needs, environmental conditions, shifts in characteristics of human capital resources, new business strategies, etc. When the strategies are realized within a fixed period of time (or not, for various reasons) then final control is conducted. The goal is to determine the final results of strategy realization. Appropriate measures need to be applied to perform this task (e.g., effectiveness, efficiency, and efficacy). Ultimately, final conclusions and decisions are made. This is in order to answer the following **basic questions**:

- 1) Has the sustainable competitive advantage been gained?
- 2) Has the process of sequencing and configuring SIHRM strategies and sub-strategies provided opportunities for value added creation in gaining sustainable competitive advantage through human capital resources?
- 3) If so, then to what extent and with what results?
- 4) If not, then why?

As a consequence, the controlling stage should result in some clear and precise **post-control conclusions and decisions** that tell us, for example, what corrective actions (if any) need to be undertaken, what needs to be modified, what has to be continued. In this way, some recommendations for the future can be formed as well.

All SIHRM activities, according to the basic principles assumed in the presented concept, aim at supporting MNC in reaching high levels of efficiency and effectiveness in the scope of goals, strategies, and tasks performed at different organizational levels. What is expected in practice is that good results at lower levels will contribute to good results at the corporationwide level. As mentioned before, **the measures** that can be used here may refer to **SIHRM effectiveness, efficiency** and its **efficacy** directly.

In summarizing the description of the presented model of SIHRM, it is necessary to underline that SIHRM strategies and SIHRM itself make up a part of a bigger the MNC management system. However, it remains a part of fundamental significance. It decides not only about the success of any type of activities performed by the company and inside the company, but also determines whether any type of activities can be performed at all.

## Final Conclusions

The fundamental question, which probably arises in the context of the presented integrative model of SIHRM in a MNC, is: What are the most important implications of this framework for academics and practitioners working in the field of SIHRM? The most general answer is that incorporating a more comprehensive perspective into the framework of SIHRM in a MNC may help in finding ways in which MNCs may operate more efficiently and more effectively in order to in-



crease the efficacy of their human capital resources and personnel strategies to gain sustainable competitive advantage. This may be achieved by capturing the best configurations and integrating strategies as well as the best mixes of resources that allow for capitalizing on managerial and employee human capital resources as well as their social diversity to bring desired effects in global and local dimensions of a particular MNC.

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### **Rekonceptualizacja strategicznego międzynarodowego zarządzania zasobami ludzkimi w dążeniu do uzyskania trwałej przewagi konkurencyjnej PMN**

Streszczenie

Głównym celem artykułu jest dokonanie pewnej rekonceptualizacji, o nieco ogólnym charakterze, obszaru strategicznego międzynarodowego zarządzania zasobami ludzkimi (SMZZL) oraz zaproponowanie zintegrowanego modelu dla tej dziedziny badań i praktyki gospodarczej; w modelu zostają zidentyfikowane kluczowe czynniki i charakterystyki oraz ich wzajemne relacje determinujące uzyskiwanie trwałej przewagi konkurencyjnej przez przedsiębiorstwo międzynarodowe (PMN). Artykuł podzielony został na siedem części. Na początku, na podstawie związłego przeglądu literatury, autorka nakreśla konceptualny rozwój SMZZL jako swego rod-

zaju subdyscypliny naukowej, która wyłoniła się z międzynarodowego zarządzania zasobami ludzkimi (MZSL) oraz strategicznego zarządzania zasobami ludzkimi (SZSL). Wymienione też zostają główne nurty teoretyczne i badawcze w zakresie MZSL oraz SZSL. Następnie, w sposób enumeratywny dokonany zostaje przegląd wybranych modeli SMZSL. Rozwinięciem poruszanej problematyki jest podjęcie kwestii przewagi konkurencyjnej oraz trwałej przewagi konkurencyjnej. W kolejnych częściach artykułu dyskusja zostaje ukierunkowana na dwa, ważne z punktu widzenia niniejszej pracy zagadnieniami, tj. ludzkie zasoby kapitałowe (LZK) jako czynniki trwałej przewagi konkurencyjnej w SMZSL oraz pomiar efektywności, skuteczności i wydolności zasobowej SMZSL. Wszystko to stanowi swego rodzaju podwaliny dla zintegrowanej koncepcji modelu SMZSL w PMN, który autorka proponuje w kolejnej części artykułu. Na zakończenie sformułowano kilka zasadniczych wniosków.

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