Towards An Extended International HRM Model for Emerging Multinational Enterprises

Connie Zheng

Abstract—This paper critiques several exiting strategic international human resource management (SIHRM) frameworks and discusses their limitations to apply directly to emerging multinational enterprises (EMNEs), especially those generated from China and other BRICS nations. To complement the existing SIHRM frameworks, key variables relevant to emerging economies are identified and the extended model with particular reference to EMNEs is developed with several research propositions. It is believed that the extended model would better capture the recent development of MNEs in transition, and alert emerging international managers to address several human resource management challenges in the global context

Keywords—China, human resource, MNEs, strategy

I. INTRODUCTION

UNCTAD (2010) recently reports that in the mist of global financial crisis, developing and transition economies still attracted half of global foreign direct investment (FDI) inflows, and invested one quarter of global FDI outflows, and that the emerging multinational enterprises (EMNEs) such as those generated from China and other BRICS (Brazil, Russia, India, China and South Africa) nations are leading the FDI recovery and helping revive the global business and economy [1-2]. The number of companies from emerging economies, such as China is reportedly increasing among Fortune Global 500 [3], with cross-border mergers and acquisitions being increased from US$50 billion in 2003 to almost US$200 billion in 2007 with outward investment particularly from China reaching at US$56 million in 2008. [4]

Despite rapid growth of China and the other BRICS countries and the development of their competitive companies in the global scene [3], there is less attention on studying how their multinational companies manage their international workforce. The existing international management frameworks are largely embedded in the North America or in the general context of established economies, these provide limited platforms for emerging managers to gain insights from as they often need to cope with a set of geo-political and social factors at home and in the host countries of EMNEs, which are quite different from those experienced by the established MNEs. It hence requires an alternative way of addressing different needs of managing human resources among emergent multinational enterprises.

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The aim of this paper is to fill up the identified gap by extending the existing international human resource management models to include several relevant factors influencing EMNEs to effectively staffing their global operation.

II. LITERATURE REVIEW

A. Defining IHRM

Most literature in the field international human resource management (IHRM) tends to frame the term within the context of multinational enterprises (MNEs). For example, Taylor et al. (1996) simply treat IHRM as the MNE's IHRM system with a set of distinct activities, functions, and processes that are directed at attracting, developing, and maintaining an MNE's human resources. They aggregate the various HRM systems used to manage people in the MNE, both at home and overseas to recognize the important role played by the parent company to control and coordinate human resources of all units within the MNE (p. 960).[5] Others define IHRM with outcomes in mind. For example, Schuler and Tarique (2007) or Dowling, Festing and Engle (2008) alike argue that IHRM is the effective management of human resources in global markets for MNEs in order to gain a key source of *competitive advantage* and to be globally successful.[6-7]

We believe that these definitions contain some limitations when applying to EMNEs for at least two accounts. One is that we would largely agree the first definition, but it lacks clear goals of IHRM for EMNEs. The second definition having a clear goal or driver of IHRM as gaining '*competitive advantage*' and 'to be successful globally', but the goal could be misleading. Because 'success' for a MNE, especially in the North American context, is measured in terms of its being 'competitive, efficient throughout the world; locally responsive, flexible and adaptable within the shortest of time periods; and capable of transferring knowledge and learning across globally dispersed units' (p. 743). [6] However, in light of recent discussion about EMNEs, it was their 'competitive disadvantage' (and sometimes even 'comparative disadvantage' as latecomers) both within their own firm and country of operation which are the very reasons that have driven EMNEs to go outside the norm and search for global niche markets [8-9]. There appear to be other inherent drivers of internationalisation and goals of newly-developed MNEs

not incorporated in the conventional definition of IHRM, which require further investigation.

B. Critiques of Prior IHRM Frameworks

There are several strategic IHRM models developed in the past. Here three well-cited ones [5][10-11] and two most recently developed models [12-13] are reviewed and critiqued.

Milliman et al. (1991) suggested that strategic IHRM be implemented with the managerial mindset of 'fit and flexibility' to ensure appropriate control and co-ordination between corporate and foreign subsidiaries in the context of cross-national and cross-cultural environment. The idea of 'fit and flexibility' was useful to develop an international business strategy to balance and rebalance the internal and external environments and address various interests among constituents in the headquarters and subsidiaries of EMNEs.

However, Milliman et al.'s (1991) framework consists of three different figures: the first figure suggests four fits, of which analysis must be evaluated at two different levels – within and outside the organisational level. It is argued that contemporary organisations, including EMNEs, very much operate in an open and global environment whereby free information exchange, knowledge transfer and learning between corporate and subsidiaries likely force a close alignment of fit between internal HRM functions and external influences. This requires an integration of analysis not separation in different levels. Second, it is unclear when reading the framework to reconcile whether fit or flexibility is an international strategy of multinational company or an outcome of IHRM. When dependent and independent variables are not clearly stated in the conceptual framework, the research design and procedure for data collection in empirical study could be non-operational.

The integrative framework of SIHRM developed by Schuler et al. (1993) appears to complement the deficiencies contained in Milliman et al.'s (1991) framework. The framework clearly suggested the antecedents and precedents of SIHRM at the organisational level of analysis; it blended the issues of fit and flexibility. Substantially, the authors explained what was contained in the exogenous (albeit external ambient factors) and endogenous factors (organisational internal factors *per se*) and how they would influence strategic IHRM, and the consequences of those influences and the inter-relationships of variables [11], which are most relevant to develop the conceptual framework of SIHRM for EMNEs in this paper. Schuler et al.'s (1993) main focus was also on assessing the strategic components of MNEs and balancing their inter-unit (corporate versus subsidiaries) linkages and internal operations, and how those components were affected by internal and external factors.

It is nonetheless argued that MNEs' concerns on balancing global integration and local responsiveness could be their ultimate internationalisation goals as a result of SIHRM, instead of precedents of SIHRM as expressed in Schuler et al. (1993). The later work by De Cieri and Dowling (1999) has endeavoured to complement these valid points. With respect to this paper, several limitations are addressed below.

First, Schuler et al. (1993) acknowledged the 'change' factor and proposed more resources devoted by MNEs to address the need for co-ordination and communication between units to minimize risks, and use of well-developed HR policies and practices to facilitate information flow and learning (p. 441). The argument is, indeed, based on the organisational learning, resource-based view (RBV) as well as the OLI (ownership, location and internalisation) model. [14] It is suggested that under the changing circumstances, strengthening internalisation and enhancing the value of internal resources via greater communication and learning will better help global companies to be successful. However, the extension of the resource-based view (RBV) as expressed by Meyer (2006) argues that the growth or internationalisation of EMNEs is not necessarily driven by more internalisation, ownership and location advantages but by smarter personalised exchanges, relational and network-growth strategy and mergers and acquisitions to overcome any deficiencies or lack of managerial resources. [15-16] The 'time' factor will eventually also drive EMNEs to move to the rule-based paradigm, which requires formalised and well-developed IHRM systems. However, in the transition period, there would be a greater degree of diversity among EMNEs to balance formal and informal ways of managing their global workforce.[3][17]

Second, the unit of analysis is clearly focused on the organisational level in Schuler et al.'s (1993) framework, with outcomes concerning organisations only. However, in assessing precedents to SIHRM, it appears multiple levels of analysis were adopted to include individual, industry, national, regional and global concerns. Multiple levels of analysis are warranted to enrich research outcomes and overcome the subjectivity in single levels of analysis, even though the research design will be more difficult. If multiple levels of analysis are sought, the variables contained in each level of analysis should be clearly spelt out and the outcomes for each level stated for empirical testing, which was not the case in Schuler et al.'s (1993) study. In reality, given the dynamic environment EMNEs need to deal with, it might be highly irrelevant not to consider multiple levels of analysis. To overcome the complexity in assessing the variety of variables for testing, a selective focus on the most relevant variables in each level of analysis is required initially. This point will be returned to in the development of the extended conceptual framework for EMNEs in the later of this paper.

Third, the success of MNEs defined in Schuler et al.s' (1993) model is to achieve competitiveness, efficiency and flexibility, but ignoring the concerns of multiple constituents, including the employees, customers, investors, industry, community and society.[13][18] This is partially complemented by Taylor et al. (1996), where the central focus of their model of SIHRM is on employee assessment of the parent company's and affiliate's HRM systems.

Taylor et al.'s (1996) model, which is different from the previous two frameworks, essentially, addresses the strategic IHRM orientation based on two different industry strategies: global versus multi-domestic strategy. The authors were also

concerned that these orientations are likely to be determined by the corporate top managerial team's beliefs and values. Even though limitations in application to other contexts abound in Taylor et al.'s (1996) framework, it is argued that the concern of managerial philosophy in balancing the exportive or adaptive SIHRM orientation is relevant to EMNEs, when considering a firm's industry characteristics and size.

Also relevant to the strategic IHRM of EMNEs are two recently developed models by Harvey et al. (2000) and Tarique and Schuler (2010). Against the conventional ideas of expatriate management in the area of IHRM, Harvey et al. (2000) adopted the RBV perspective blended with a dynamic capabilities approach [19-21], and argued for development of global managers, not only via expatriation but also inpatriation. The initial idea of inpatriating host or third country national managers into an established MNE's home country organisation on a semi-permanent to permanent basis has been taken up by EMNEs to, instead, transfer or transpatriate their global managers from more advanced economies to the subsidiaries in less developed countries [22-23]. Though the effectiveness of such inpatriation and transpatriation has not been extensively tested in empirical studies, it is suggested that this might become an ongoing trend given the lack of managerial resources within the home countries of the majority of EMNEs.

Although Tarique and Schuler (2010) explained the differences between global talent management (GTM) and IHRM, an integrative framework of GTM in MNEs developed by them, especially the emphasis on talent attraction and retention with concerns of diversity management, has special implications for EMNEs. Tarique and Schuler's (2010) GTM model, in fact, mirrors to a large extent what was in Schuler et al.'s (1993) and De Cieri and Dowling's (1999) work, whereby exogenous and endogenous drivers were similarly stated, except for the demand-supply gap. The authors especially addressed the demand-supply gap of talent shortages in emerging economies such as China and India (see also the arguments made in [24-26] and took the supply gap as an external driver for developing global HR strategies aimed at talent attraction and retention. It is believed that free flow of talent is conditioned by *domestic and global competitive demands* and *global market environments*, and is supported by various government immigration and labour policies. In the context of EMNEs, talent attraction and retention appears to require a concerted effort by government, industry and organisations. Many organisations in emerging economies are no longer afraid of a 'brain drain' but emphasise the benefits of 'brain circulation' to allow talent to flow in and out to facilitate innovation and learning.[27]

Facilitation of the free flow of talent in and out most likely interacts with the issue of diversity management - a topic widely discussed in relation to established MNEs but rarely addressed among EMNEs, especially for the considerably homogeneous groups of Chinese EMNEs. Hence, managing talent flows and diversity of employee groups will likely be one of many challenges EMNEs will face and must balance in their internationalisation process.

Taking all these conceptual frameworks together, it is suggested that a number of variables discussed in the prior models could be readily imitated in the extended one.[28] However, the limitations of the prior frameworks can be complemented by specifically looking at the variables selected to address the SIHRM issues concerned EMNEs. Next selective variables summarised in Figure 1 will be examined and several research propositions are developed to potentially evaluate their inter-relationships in the empirical work.

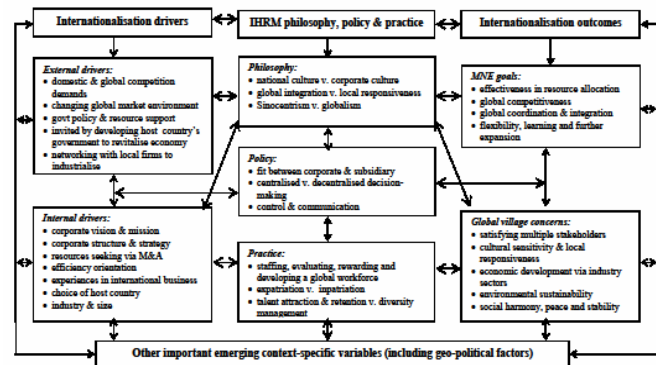Fig. 1 A conceptual Framework of Strategic IHRM for emerging MNEs

III. DEVELOPMENT OF THE EXTENDED FRAMEWORK AND RESEARCH PROPOSITIONS

Internationalisation of emerging MNEs has produced a different dynamic environment, which requires a closer look at how to manage the increasingly diverse, more educated and more mobile global workforce.[13][18] Essentially, internationalisation as seen in the context of EMNEs appears to be largely related to the integration of emerging economies into the global economy through their interactive trade, foreign direct investment, capital flows, labour migration, and the spread of technology.[1-2][29-30] Internationalisation appears to be a prerequisite for formulating the international business strategy of major EMNEs and facilitating the transnational circulation of ideas, languages, and popular culture.[31] Here the importance of setting the conceptual framework of SIHRM for EMNEs can be seen under an over-arching context of internationalisation, which is slightly different from the prior models that often consider internationalisation or globalisation only as a part of the exogenous factors.[11][32]

A. Internationalisation Drivers

There are both internal and external drivers of internationalisation, similar to those proposed in the prior models [11][13][32] as the antecedents of SIHRM. However, some distinctive features of external drivers are provided as in the context of EMNEs, and the way the selective variables

relate to the global, national, industry level of analysis is explained.

Two distinctive drivers for internationalisation of EMNEs at the global level are *domestic and global competition demands* and *global market environment*. In recent decades, many emerging economies have gone through major economic reforms and have largely integrated into global economies. For China, this is particularly the case after access to the World Trade Organisation (WTO) was granted. Chinese firms are especially subject to fierce competition with 90 percent of Fortune 500 corporations currently present inside China, which has created enormous competitive pressure. It is argued that firms pursue international niche markets because of ever more fierce competition in the domestic market.[33] In addition, a changing *global market environment* with the increasingly freer flow of information, sharing of technology and management know-how, and flow of capital and labour that facilitate networking and transaction between firms internally and abroad, is being seen. Free market conditions pose both threats and opportunities for EMNEs. In one sense, EMNEs now have more opportunities to enter into any market as wished. However, because of different cultural and institutional frameworks both at home and in the host countries, it is likely that EMNEs will face ever more challenging tasks to adjust their policy and practices in response to the changing environments. Therefore, the first set of research propositions is likely to be:

P1(a). Because of the global market environment interacting with domestic and global competition demands, when thinking about strategic IHRM, EMNEs need to integrate their corporate culture with both the host and home national cultures when designing their IHRM policy and practices.

P1(b).Because of the different institutional frameworks, policies and practice of IHRM, EMNEs need to consider the fit between corporate headquarters and their foreign subsidiaries. Likely adaptation and rebalancing would help achieve flexibility in implementation of policy and practices.

To some extent, EMNEs' internal challenges tend to be overcome by the external support provided by their national government agents, and sometimes, even by host governments. Support is not only in the form of policy (such as the Chinese government's 'going global' policy to encourage the development of EMNEs, or a host government's investment policy to attract foreign direct investment), but also in the form of direction (where to go), focus (what to do and in which industry) and resources (how to do it with the support of both human and physical capitals). This would have implications for IHRM policy in the area of decision-making process, control and communication, as well as IHRM practices in terms of staffing and developing expatriates and inpatriates. Strong state influence on firm level decision-making, in the case of Chinese firms, is likely to create a sentiment of *Sinocentrism*, whereby the Chinese way of doing things prevails, instead following *globalism*, with the implementation of corporate global integration strategy being the core. Based on this line of argument, it is proposed that:

P2(a).If EMNEs were driven to internationalise with strong government support from both host and home countries, their IHRM philosophy, policy and practice will become Sinocentric with a top-down management communication, and strong state and headquarters' control over subsidiaries.

The issue of time in transition for many EMNEs would be ever present, and must be taken into account when proposing the strategic approach to IHRM. Hence, it is argued that ongoing support may not last, and most EMNEs will be driven to further expand their businesses internationally, because of internal pressure. Thus, an alternative proposition would be:

P2(b). If EMNEs are driven to internationalise because of internal corporate vision and mission coupled with government support from both host and home countries, their IHRM philosophy, policy and practice will become more global with concern for balancing global integration and local responsiveness; and their IHRM practices will focus on talent attraction and retention as well as diversity management.

During the transition, external and internal drivers for the internationalisation of EMNEs will most likely combine and create confluence effects. Instead of presenting the one-way directional relationships among variables present in the prior models, it is argued that two-way interactions among variables would be the case. For example, the corporate vision and mission of EMNEs might be directly influenced by the state's direction on where to go, what business and industry to focus on and how to do it. Similarly, resource seeking via mergers and acquisitions might be initiated by a firm with lack of managerial resources, yet strongly backed up by state funds.[34-37] Choice of the host country might not be due to location advantage, as suggested by Dunning (2001), but to the historical and political relationships between home and host countries. For example many African nations supported China to gain its seat at the UN Security Council. As expressed in the reciprocal term, some nations in Africa directly sent invitations or called for the Chinese government's help in infrastructure and capacity building to revitalise their national economies.[27] Many large construction and natural resource-based Chinese state-owned enterprises took advantage of those opportunities to internationalise rapidly. It appears also that the nature of industry and firm size interacts with external drivers in the case of EMNEs. Therefore, it is proposed that:

P3.EMNEs were internationalised rapidly by the confluence effects of the interaction between internal and external drivers. These interactions create the need for EMNEs to to find the best IHRM philosophies, policies and practices in order to achieve their internationalisation outcomes

There might be many other external and internal drivers that are context-specific, which are not yet identifiable. EMNEs will confront many IHRM issues and challenges. It is only the initial attempt in this paper to look at the global, national and industry environments of EMNEs, and identify distinctive variables for EMNEs to start thinking about the complexity and the need to engage in constant adjustment and rebalancing exercises to achieve the best outcomes of SIHRM.

B. Strategic IHRM Philosophy, Policy and Practice

Schuler et al. (1993) addressed SIHRM issues essentially as a way of balancing 'MNE's inter-unit and within unit' and 'the needs for differentiation (local responsiveness) and standardisation (global integration)' (see also Dowling et al., 2008). Taking into account the never-ending puzzle of balancing national and organizational cultures in the realm of IHRM [38], and the context of EMNES, especially in the case of Chinese enterprises, it is important to address three balances in framing IHRM philosophy: the balance between national and corporate culture, the balance between Sinocentrism and globalism, and the balance between global integration and local responsiveness.

It is also argued that vision and thinking, *philosophy per se*, lead to policy formulation. SIHRM policy among EMNEs is likely to be formulated with three concerns similar to those of established MNEs, according to Schuler et al. (1993). First, they would need to think about whether they allow subsidiaries to manage independently or to be managed in the same way they are at the headquarters of the MNE. Second, they need to devote considerable time, energy and financial resources towards managing their global workforce. The concern is that decision-making on the use of these resources must achieve the goal of ultimate effectiveness in resource allocation. Often this can be achieved by using either centralisation or decentralisation in decision-making processes, depending on the circumstances. Third, they need to decide whether to send staff from headquarters or to recruit locally, regionally or globally to carry out the tasks generated from the decisions made in the above first and second points. The roles of these international staff among EMNEs could also be to co-ordinate, control and facilitate communication between headquarters and subsidiaries.

Policy guides the practice at the operational level; it helps the development of general guidelines on how individual employees, especially in various subsidiaries of MNEs are recruited, allocated, developed and retained (Schuler et al., 1993). It is not the main intention of this paper to present all specific IHRM practices, but several variables relevant to EMNEs.

IHRM practices most relevant to the strategic needs of any MNEs are those practices relating to staffing, evaluating, rewarding and developing a global workforce (Dowling et al., 2008). As discussed before, the logic of those practices should be universally and theoretically accepted, the differences lie in the approaches taken (ie. using either ethnocentric, sinocentric/geocentric v. polycentric/regioncentric approach) (see Perlmutter, 1969). For example, EMNEs may staff their international operation, including both managerial and production workers, mostly from headquarters, whilst established MNEs tend to employ mostly expatriate managerial and technical staff and recruit production labour locally. Alternatively, EMNEs, because of lack of managerial experience, could inpatriate the managerial staff to the headquarters and leave the general staffing issues to local

subsidiaries.[12][23] Hence, in the area of expatriation and inpatriation, different practices among EMNEs from those taken by established MNEs may occur.

Talent shortages appear to be an ongoing phenomenal challenge to EMNEs [39] and are unlikely to be resolved in the short-term. Therefore, design of HR strategies and practices aimed at talent attraction and retention will help achieve global competitiveness and facilitate learning and further global expansion for EMNEs.

It is important to acknowledge both the internal fit of the above-discussed set of IHRM philosophy, policy and practice and the external fit to suit the environment [5], wherein EMNEs are operating. It is also acknowledged that large EMNEs are potential in the position to change the external contexts in the transition period. For example, anecdotal evidence constantly indicates that CEOs of large major Chinese state-owned corporations also sit as people's representatives and hold positions in the central government to direct and influence policy-makers in the internationalisation process. In addition, a firm's level of policy, practices and outcomes likely provides feedback for revision of policy at national and industry level (external drivers) and change corporate mission, structure and strategy (internal drivers) accordingly. Hence, based on these lines of discussion, it is anticipated that:

P4(a). There exist an internally coherent set of IHRM philosophy, policy and practices relevant to EMNEs in transition, however, the set contains dichotomous choices (focusing on national culture versus corporate culture, Sinocentrism or globalism etc.) which are likely to be influenced by the interaction between external and internal drivers.

P4(b). The set of IHRM philosophy, policy and practices will have an impact on internationalisation outcomes for EMNEs.

P4(c). Through interaction between internal and external forces, EMNEs will provide feedback, via assessing their IHRM philosophy, policy and practice and internationalisation outcomes, so as to influence the potential changes in drivers for further internationalisation.

C. Internationalisation Outcomes

Most of MNEs' goals were extensively explained in the prior models (e.g. in [11][13][32]). The concerns are in line with the definition of IHRM as explained earlier, whereby the goals of IHRM are largely defined at the organisational level to achieve efficiency, effectiveness in resource allocation, global competitiveness, global integration, flexibility and learning. It is strongly argued that this definition would be incomplete when examining SIHRM among EMNEs, simply because of the different drivers of internationalisation, as discussed throughout this paper. There is a need to take into account global, national, industry and community levels of concern when multilevels of drivers are considered. This line of argument resonates closely with the thinking presented in the foundational Harvard HRM model [40], whereby the authors saw that the organisational level of HRM choices likely impact not only on organisational outcomes, but also on individual and societal well-being. Based on this, it is proposed that:

P5(a). SIHRM philosophy, policy and practices of EMNEs would help not only achieve MNEs' goals in the areas of effectiveness, competitiveness, integration, flexibility, learning and further growth, but also help address global concerns on satisfaction of multiple stakeholders, cultural sensitivity, local responsiveness, economic development, environmental sustainability and the general social well-being of the global village.

In discussing general HRM outcomes, often employee job satisfaction and organisational commitment are considered. [41] It is acknowledged that multiple stakeholders, including employees, may represent different interest groups with competing goals. Hence, it would be difficult for MNEs to satisfy all those needs. However, in the realm of international business management, an individual MNE can sometimes be economically and structurally big enough to exert so much power, and influence so many people and societies that it should be treated as a civilised entity or government whose key role is to balance diversified interests and satisfy various constituents. In a similar vein, an EMNE, when applying their IHRM across different cultural and institutional environments, needs to recognise local conditions. There might be competing demands of local needs and global competitiveness. Yet, the whole idea of implementing an MNE's SIHRM policies and practices is to balance the need to be locally responsive and globally competitive at the same time.[11][42]The economic policy of attracting foreign direct investment, which is adopted by governments from both developed and developing countries, is largely aimed at developing new industries or regenerating ailing sectors or focusing on important issue such as building a low-carbon economy. [1-2][29-30] It have been extensively reported that MNEs could play important roles of assisting national economic development as well as enhancing global economic integration. Of course, the objective of achieving economic growth is often compromised by environmental degradation. In the past, the actions of many established MNEs were largely responsible for degradation such as air pollution, excessive land use and logging of forests.[43] Now EMNEs are especially under scrutiny in this respect, for example, the many media reports on these issues regarding Chinese companies operating in Africa [44-46]; particular attention must be paid to upholding corporate social responsibility and maintaining environmental sustainability.[47]Bisson et al. (2010) indicate that the area of greatest risk in addressing the global rebalancing issue is that of 'the market state'.[48] As many EMNEs are operating under the market state – free market with state intervention so to speak, they are required to work with home and host governments to address the many challenges induced by internationalisation. The government will not be able to pick up 'an awful lot of the fallout of revolution taking place with respect to globalisation'. What it means is that multinational corporations, EMNEs included, should literally help 'managing billions of people and integrating them into the global economy' (p. 3).[48] For years to come, one bad decision made by a corporation has the potential to affect millions of workers and communities in several nations. There is a greater risk of diversity mismanagement causing social

uprising, conflict and wars. Concern for social harmony, peace and stability is imperative not only to maintain the survival and growth of EMNEs [17], but also to maintain the sanity of global human civilisation. The five global village concerns discussed above must interact and, ideally, be integrated into MNE goals. Hence it is suggested that:

P5(b). EMNEs are required to balance the need to pursue their own organisational goals as well as to fulfil their obligation to address global village concerns in order to achieve survival, growth and the next stage of global civilisation.

Positive internationalisation outcomes would likely provide ongoing feedback to EMNEs so they could see the alignment of their corporate strategy, structure and systems, and strengthen existing SIHRM practices or develop new ones; in return, this would create a cycle of positive outcomes in the system. [49] Additionally, the outcomes would inform policy-makers, both at home and in the host countries, when designing further developmental policy support mechanisms in order to assist EMNEs with further expansion. Therefore, the last research proposition is:

P5(c). Internationalisation outcomes have reverse impacts on SIHRM philosophy, policy and practices; they also determine the changes of internal and external drivers of EMNEs to further internationalise.

IV. DISCUSSION

Throughout this paper, it is argued that an alternative view on effectively managing people in emerging multinational companies is warranted, not because it would lead to new theory creation, but rather it would help further theory building in different contexts. Several conceptual models related to strategic international human resource management were scrutinised for the purpose of extending and developing a relevant framework to analyse the effectiveness of cross-border people management by emerging MNEs such as those generated from China and BRICS. It is believed that the proposed framework has several theoretical and practical implications in the field.

A. Research Implication

Most of the existing literature on emerging MNEs tends to focus on global strategy and international business, and down-playing the link to evaluating the effectiveness of the management practices of those firms.[50] Work is required to document and develop new knowledge to facilitate further teaching (especially management training and development for people from emerging economies) and to harness good practice among EMNEs. Based on the framework proposed in this paper, researchers could take several steps to further enrich the field study of people management among EMNEs.

First, it is just as important to take theory as the context into consideration when conceptualisation of any empirical framework. As argued throughout this paper, the purpose and drivers of internationalisation of EMNEs can be quite different from those of established MNEs from the developed economies; specific concerns on these drivers should be included in the conceptualisation.

Second, several relationships within and between the variables relevant to EMNEs are identified. Based on these,

researchers could develop specific hypotheses leading to addressing their particular research focus. For example, if the research focus is on measuring the different impacts of external forces on international companies' HRM practices across borders, it is likely that the research designed would be based on institutional theory, and the hypotheses developed will be centred around testing key variables generated from host and home country culture and institutions and their relationships to the firms' IHRM philosophy, policy and practice. In the context of EMNEs, the drivers for the internationalisation process are significantly different from those of established MNEs, as discussed throughout this paper. Possible research exploring aspects of HRM in EMNEs will need to closely observe the IHRM issues, policies and practices related to the internationalisation process of firms.[13][18]

Third, it is also important for researchers to clarify the level of analysis in any future empirical study as that is perhaps the most confusing area in the field of IHRM when assessing and comparing research outcomes based on different levels of analysis. The firm level of analysis tends to dominate in the prior research on SIHRM in other contexts (p. 129).[13] It is suggested that SIHRM of EMNEs be examined on several levels: global, national, industry, organisation and individual. Cross-level IHRM research may be promising to overcome the misunderstandings based on the comparison of different levels of analysis. Triangulation of cross-level analysis also provides a better picture of the main issues and focus of EMNEs in addressing management of their global workforce.

Lastly, because people management among EMNEs is a relatively new field, it is suggested that more qualitative methodologies need to be adopted to explore the dynamic issues of HRM for the emerging groups of companies. Intensive participant observation, interviews and content analysis of website information and archival documentation might be employed to gain a better understanding of culture and institutional factors affecting EMNEs' management practices and performance in the internationalisation process.

B. Practical Relevance

The development of a relevant conceptual framework for managing people across borders for EMNEs would be helpful, especially for management practitioners and policy-makers from emerging economies. As Ferraro, Pfeffer and Sutton (2005) [51] argued, 'theories matter, not just because theories influence the institutional arrangements, norms, and language of organisational management, but also because theories focus both research and public policy attention' (cf. Pfeffer, 2010, p. 40). [52] Although the intention of this paper was not to create new theories, but to develop an alternative framework, the analysis and discussion throughout the paper will help practitioners of EMNEs to better capture the issues and challenges faced by their firms in the internationalisation process. From studying the proposed framework, at least three main insights could be gained by international management practitioners.

First, emphasising both external and internal drivers for internationalisation, EMNEs are encouraged to not only look at their corporate vision and mission, strategy and structure,

systems and operation, but also to check closely the links between internal drivers and external factors, and the effect of these linkages on their firms' global operation and success. They will be made more aware of the need to understand both host and home government policies, and to work closely with government agencies involved in government-sponsored initiatives, and to actively influence new policies and measures.[37]

The proposed conceptual framework encourages EMNEs to look beyond 'managerism' [53], such as the static IHRM philosophy, policy and practice, and take active roles in understanding the more complex and multifaceted global environment.[13] They would need to search for 'fit and flexibility' in these contexts [10], and balance several competing IHRM approaches related to the central dilemma of 'global integration and local responsiveness' that many MNEs face in their international operations. The key challenge for EMNE management practitioners would be to design IHRM functions and activities to fit the laws, culture, society and politics of both home and host countries and to be flexible enough to attract, develop and retain the talent required for further expansion and growth.

Lastly, looking at the proposed framework which integrates organisational and societal goals [40], practitioners must now emphasise the SIHRM outcomes conducive to achieving not only organisational competitive advantage, but also sensitive enough to address the wider societal or global village concerns as outlined in the framework. The task is indeed challenging, yet fulfilling. International HR management practitioners have been called on to assist global firms to enhance business ethics and social responsibility.[47][54] EMNEs were suggested to be particularly weak in the areas of developing local employees, building community capacity, upholding good employment practices and maintaining a sustainable environment.[55-56] Improvement in these areas would make EMNEs shine, enabling them to compete better with their counterparts from developed economies, and to establish long-lasting legitimacy and legacy as positive global business players for the 21st century.

V. CONCLUSION

In this paper, key definition of IHRM and several extant conceptual frameworks of SIHRM were discussed with extensive critiques on their limitations of direct application to the EMNE context. As a result of these cross-examinations, several relevant variables for analysis, with particular reference to EMNEs were identified. An alternative view for conceptualising SIHRM among EMNEs in the context of internationalisation was presented. It is believed that the newly developed framework would better capture the current development of EMNEs in transition, alert managers of EMNEs to address several people management challenges in the global context, and prepare researchers in the field for more meaningful future study on managing people in EMNEs operating in the global markets.

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