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Exploring the configuration of international HRM strategies for global integration and local responsiveness in MNEs

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ABSTRACT

This study examines the configuration of international HRM strategies to understand how an MNE pursues global integration and local responsiveness simultaneously in HRM. Drawing upon cases of eight South Korean and Japanese MNEs, we identify different patterns of configuration of five international HRM strategies that shape distinct sets of activities. We show that the firms pursue global integration and local responsiveness simultaneously, but in distinct ways, by configuring international HRM strategies for both integration and responsiveness rather than solely just relying on either one. Our findings offer insight into how MNEs actually manage the duality of global integration and local responsiveness at the strategy level beyond the hybridization of global standardization and localization of practices.

KEYWORDS

Configuration; global integration; local responsiveness; multinational enterprise; human resource management

Introduction

How to manage the dual pressures for global integration and local responsiveness is a central strategic problem for multinational enterprises (MNEs) (Bartlett & Ghoshal, 1989; Edwards et al., 2022). While one MNE's position between integration and responsiveness may be different from another's, each must inevitably deal with both pressures, what is known as a 'duality' problem in HRM (Evans, 1999; Evans et al., 2002). In the International HRM (IHRM) literature, the problem of managing the duality of integration and responsiveness has largely been translated into the matter of balancing between global standardization and localization of HRM practices (Rosenzweig, 2006; Zhu, 2019). Accordingly, the hybridization of standard practices often, an MNE's parent practices, and

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local ones have been considered as a way to manage the dual pressures (Gamble, 2010; Kapoor, 2011; Taylor et al., 1996).

However, while the hybridization at the practice level is an important way to address the duality problem, what is missing in the extant literature is an understanding of how MNEs deal with the duality problem at the strategy level. Research indicates that there are different integration or localization strategies other than gravitating towards one or other of the practice orientations (e.g. Dickmann & Müller-Camen, 2006; Ghoshal & Gratton, 2002; Smale et al., 2013). Thus, it would be expected that MNEs may pursue configuration at the broader strategy level by combining different strategies for global integration and local responsiveness. Schuler et al. (1993) argued that in addition to the practices, strategic HRM needs an understanding of the accompanying philosophy, policies, programs, and processes. Shifting the focus of hybridization from evidencing differences in observed practices, to understanding the broader strategy behind the resulting configurations, helps build this broader understanding. Few studies, however, have explored patterns of configuration at this strategy level as a way to address the duality problem.

This study examines how MNEs pursue global integration and local responsiveness simultaneously in HRM by configuring different IHRM strategies for each of the two broad strategic themes. We define IHRM strategy as an MNE's approach to managing its workforce and HR functions across borders to achieve global integration or local responsiveness.

Exploring IHRM strategies and their patterns of configuration across MNEs is important in two respects. First, it advances our understanding of how MNEs address the duality problem beyond adjustments at the practice level. Despite the arguments for the duality of integration and responsiveness in HRM of MNEs (Brewster et al., 2008; Evans, 1999; Evans et al., 2002), it is still unclear how these seemingly contradictory aims are pursued simultaneously through strategies.

Second, as strategy is an important dimension of internal context that shapes the actions of an organization (Hendry et al., 1989; Hendry & Pettigrew, 1990; Paauwe & Farndale, 2017), a study of IHRM strategy offers insight into why a particular set of activities are adopted instead of others to achieve integration and responsiveness in HRM. As MNEs often pursue these seemingly contradictory aims simultaneously, then more specific strategic context clearly becomes important in understanding a firm's choice of undertaking a particular set of activities. The study also enables us to explain substantial differences in ways of pursuing integration and responsiveness in HRM of MNEs.

Thus, our research question is: How do MNEs configure IHRM strategies for global integration and local responsiveness in HRM?

To address this question, we examine IHRM strategies of eight South Korean and Japanese MNEs at the corporate-level based on the interviews with HR executives and HR managers at corporate headquarters (HQ) of the firms. Our findings make two contributions to the literature. First, the study contributes to the debates on the duality problem of global integration and local responsiveness in MNEs (e.g. Bartlett & Ghoshal, 1989; Brewster et al., 2008; Edwards et al., 2022; Evans et al., 2002; Luo, 2001) by revealing how MNEs address the challenge of pursuing the seemingly contradictory aims simultaneously through configuration at the strategy level—selectively combining multiple strategies for integration and responsiveness. Second, it extends the seminal works on the integrative framework of IHRM strategy (e.g. Schuler et al., 1993; Taylor et al., 1996) by identifying IHRM strategies that MNEs actually conceive and the patterns of configuring such strategies. We argue the extant typologies, based on the framework of global standardization-localization of practices (e.g. exportive-adaptive-integrative orientations), are limited in their ability to make sense of an increasingly diverse range of activities in pursuing global integration and local responsiveness, that emerge within contemporary MNEs and are seen in practice. Our findings advance the understanding of the role of strategy in shaping a set of activities in IHRM and illuminate the heterogeneity in configuring IHRM strategies beyond the practice orientations.

Managing global integration and local responsiveness in HRM of MNEs

Doz et al. (1981) applied the integration-differentiation framework (Lawrence & Lorsch, 1967) to the MNE context, asserting that MNEs, as collective entities of subsidiary organizations operating in varied local conditions, must be differentiated enough to cope with local demands and compete against local rivals but simultaneously need to coordinate their dispersed overseas operations to exploit the benefits of scale and scope fully. This framework has since been applied to different levels and management domains (Rosenzweig, 2006), showing that the competing demands can shape each management domain (e.g. HRM, marketing, procurement) within an MNE differently (Luo, 2002; Rosenzweig, 2006).

It should be noted that the concepts of global integration and local responsiveness were originally developed as much broader constructs within the International Business (IB) literature (Luo, 2002). In the early work of Prahalad and Doz (1987, pp. 14–15), global integration refers to 'the centralized management of geographically dispersed activities on an on-going basis', and the local responsiveness refers to 'resource commitment decisions taken autonomously by a subsidiary in response to

primarily local competitive or customer demands'. Venaik et al. (2004) claimed the multidimensionality of the two constructs based on their empirical test.

The broad constructs are also conceptually independent from each other and thus global integration and local responsiveness could be pursed together through a combination of different ways intended to develop each outcome (Bartlett & Ghoshal, 1989; Evans et al., 2002; Luo, 2002). From the observations of nine MNEs in three industries and three regions, Bartlett and Ghoshal (1989) found that leading firms tend to be more locally responsive as well as more globally integrated than competitors. Evans et al. (2002) illustrated a particular way of pursuing integration and responsiveness simultaneously by quoting an executive's comment: 'organize one way, manage the other way' (p. 83).

As far as HRM in MNEs is concerned, it is widely agreed that managing tensions between global integration and local responsiveness is also a key issue in the internationalization of HRM in MNEs (Brewster et al., 2008; Edwards et al., 2022; Edwards & Kuruvilla, 2005; Rosenzweig, 2006). Particularly, the two concepts have been used implicitly or explicitly to describe and analyze IHRM strategy of MNEs (e.g. Hannon et al., 1995; Schuler et al., 1993; Taylor et al., 1996). The earlier works on IHRM strategy tend to focus on practice orientations as distinct strategy options, such as standardization or localization of HRM practices, largely assuming that global integration means the standardization of HRM practices by imposing parent practices on subsidiaries, while local responsiveness connotes the adoption of local practices (Brewster et al., 2008; Pudelko & Harzing, 2007; Smale, 2008). Based on these conceptualizations, hybridization between global standardization and localization of HRM practices within MNEs has been considered as a way to pursue integration and responsiveness simultaneously (Brewster et al., 2008; Gamble, 2010; Taylor et al., 1996).

A range of later studies in IHRM have highlighted the multidimensionality of the constructs, indicating that there might be profoundly different ways of enacting integration and responsiveness in HRM of MNEs (e.g. Björkman & Welch, 2015; Dickmann et al., 2009; Dickmann & Müller-Camen, 2006; Farndale et al., 2010; Smale, 2008; Smale et al., 2013). For example, Dickmann and Müller-Camen (2006) suggest a framework of IHRM strategy based on two integration mechanisms, such as standardization and knowledge networking, and defined an IHRM strategy as a configuration across these two dimensions of the integration mechanisms. In a similar vein, informed by a typology of global integration modes in business functions (Kim et al., 2003), Smale (2008) asserted that research on HRM in MNEs had explained the degree of standardization or localization of HRM practices across subsidiaries, but had

neglected the various mechanisms of global HRM integration, through which global standardization of subsidiary HRM practices can be achieved. Furthermore, it has been suggested that various ways of pursuing local responsiveness other than adopting local HRM practices may exist (Civera et al., 2022; Luo, 2001). While these studies offer fundamental insights on the multidimensionality of the constructs, they still focus on practice orientations with the additional mechanisms toward integration or localization.

The scope of IHRM scholarship has been expanded considerably to examine emerging streams of various IHRM related activities in MNEs (Björkman & Welch, 2015). For example, besides formal mechanisms, such as standardization or localization of practices, studies have emphasized alternative integration mechanisms, such as social or cultural mechanisms (Evans et al., 2002; Ghoshal & Gratton, 2002; Luiz & Spicer, 2021; Nohria & Ghoshal, 1994). Beyond traditional expatriates as a main international workforce, more recent work on global talent management and global staffing has examined a variety of different types of international workforces and their mobility at the global and regional levels (Collings et al., 2007; Farndale et al., 2014; Gong, 2003). Responding to the increasing pressures for internationalizing HR functions, the specific roles of corporate HR functions in a given context have also been explored (e.g. Farndale et al., 2010). Studies continue to show that firms do not simply standardize or localize, but rather attempt to undertake a variety of activities across various areas in HRM (Sparrow et al., 2017).

This emerging literature now clearly indicates and has begun to describe, a variety of ways to pursue global integration and local responsiveness in HRM other than standardization or localization of HRM practices, and thus the possibility of pursuing both integration and responsiveness in various ways. However, what remains missing is an investigation of patterns of combining IHRM strategies that encompass the emerging activities in pursuing integration and responsiveness in HRM of MNEs, reflecting recent developments in IHRM research and practices beyond the pre-defined typologies in the earlier literature.

A configurational view of IHRM strategy

In examining multiple aspects of an organization's strategy in a holistic way, scholars in strategic management and organization theory have used a configuration theory approach (Delery & Doty, 1996; Ren et al., 2023; Vorhies & Morgan, 2003). Miller (1996, p. 506) viewed configurations as 'complex systems of interdependency brought about by central orchestrating themes', which align various organizational strategies and activities. A configuration represents a set of related, but separate organizational

attributes, which are meaningful under an orchestrating strategic theme. This view allows researchers to describe and analyze the phenomena of complex relationships in organizations (Chidlow et al., 2021; Civera et al., 2022; Dess et al., 1993; Miller, 1986, 1996; Stor, 2021; Zhu, 2019).

In essence, the key elements of a configuration are (1) a set of organizational attributes across multiple domains (e.g. IHRM strategies) and (2) the orchestrating themes that bind them together (e.g. global integration, local responsiveness). Considering the complexity and multifaceted nature of the organizational phenomena we discussed, we may expect to see multiple IHRM strategies for either integration or responsiveness within an MNE.

Considering the purpose of this study, a configurational view is useful in two respects. First, it is a way to make better sense of the various integration and localization strategies open to an MNE in the HRM sphere, as it allows us to examine multiple IHRM strategies under broad strategic themes. Second, by considering multiple strategies for each of the strategic themes, we can identify various ways of combining such strategies and explore different patterns of configuration at the strategy level. Thus, a configurational view suggests an analytical framework that allows us to examine multiple IHRM strategies and the ways of combining such strategies to address the duality problem in HRM of MNEs.

Methods

As the main purpose of this research is to explore the patterns of configuration of IHRM strategies in MNEs, the research approach needs to be flexible enough to explore various possibilities. We adopt a qualitative case study approach, which offers flexibility and openness to explore the subjects that are difficult to access through quantitative approaches (Easterby-Smith et al., 2008).

Case organizations

Eight South Korean and Japanese MNEs were chosen for this study. They provided a good research setting to examine our research interests in three respects. Firstly, due to their significant presence in foreign markets (Froese et al., 2020), which is indicated by the percentage of overseas sales from 32 to 85 (Table 1), we could expect they face strong pressures for integration and responsiveness. All the firms are well-known international brands or significant players internationally in particular industries. Secondly, through prior contacts, the case firms selected were all known to have made intensive efforts in globalizing their HRM functions as a corporate-level strategic initiative to support their growing

Table 1. Profile of companies[a] researched.

ID No.	Company[b]	Country of origin	Industry	Total sales (billion USD)	Percentage of sales abroad (%)
1	AutoCo	South Korea	Auto	55.1	75
3	ElecCo1	South Korea	Electronics	48.2	85
3	SteelCo	South Korea	Steel	53.2	39
4	CableCo	South Korea	Wire and cable	6.8	70
5	ConfCo	South Korea	Confectionery	1.1	52
6	ElecCo2	Japan	Electronics	64.1	71
7	ElecCo3	Japan	Electronics	66	46
8	ITSCo	Japan	IT services	56.4	32

[a]Source: Annual reports (2010), company websites, interviews.
[b]Pseudonym.

businesses in foreign markets. This condition was necessary to ensure the existence of key actors who had recently been involved in the enactment of integration and responsiveness through their IHRM strategies. Thirdly, the MNEs also captured a range in sectors, such as auto, electronics, steel, wire and cable, confectionery, IT services, and total sales from 1.1 to 64.1 billion US dollars which might demand different aspects and degrees of integration and responsiveness in their HRM functions (see Table 1).

Collection of data

The main sources of data were semi-structured interviews. The semi-structured interview method is particularly valuable for the study of a firm's strategy as it allows us to gain rich data and insights from key actors with regard to their conceptualization and enactment of strategic themes, which are difficult to access with other methods (Mantere, 2005). In total 31 interviews were conducted (see Table 2 for a summary of interviewee profiles). Interviewees included HR executives and HR managers at the corporate HQ of five South Korean and three Japanese MNEs, and two directors in major international HR consultancies in South Korea to understand a general pattern of IHRM strategies they experienced from interactions with their clients. In each company, interviews were arranged through an initial key contact, an HR manager in a corporate HR team. The majority of interviewees were selected from key actors in corporate HR who were involved in developing and implementing IHRM strategies and activities in their organizations. As the study explores organizational phenomena, data for each company were collected from multiple interviewees to capture organizational themes and activities rather than personal views and to establish the accuracy of our findings from the self-reports by focusing on common themes across individual interviews. Every interview was conducted on a one-to-one basis by the first author to maintain consistency of data collection.

Table 2. Summary of interviewees' profiles (number of interviewees for each category).

Corporate-level study								
Company		Level		Department		Nationality		Sample job title
AutoCo	5	Executive	6	Corporate/global HR	31	S. Korea	22	• Senior Vice President HR
ElecCo1	5	Senior manager	25			Japan	8	
SteelCo	3					USA	1	• HR Director
CableCo	3							• HR Senior Manager
ConfCo	4							
Con[a]	2							• Managing Director
ElecCo2	3							
ElecCo3	3							
ITSCo	3							
Total	*31*							

[a]HR consultancies.

Interviews were carried out at the interviewees' workplaces and each interview lasted from one to one and a half hours. All interviews were tape-recorded and transcribed. Interviews were conducted either in Korean for Korean interviewees or in English for Japanese interviewees (except three Japanese interviewees who used a Japanese-Korean translator), which were conducted and analyzed without translation by the first author who is competent in both languages to minimize any potential loss of original meanings.

Interviews were semi-structured and open-ended against a pre-designed interview protocol, as the focus was on the investigation of an emergent phenomenon (Strauss & Corbin, 1998). The first part of the interview asked questions related to the particular context of each organization, and key concerns in HRM following the interview protocol. As the interviewees were key factors involved in developing and implementing IHRM strategies in their organizations, in the first stage of the interview interviewees were allowed to tell their stories in their own way. Subsequently, interviewees were then engaged in more focused discussions around the central topic, their specific approaches to global integration, and local responsiveness in IHRM. They were presented with three different types of questions to capture their IHRM strategies: judgement categories (interviewees were asked to assess the degree of integration and responsiveness of their subsidiaries and explain what based their judgement on); critical incidents and lessons learned (interviewees to describe any episode or incident which they had been involved in to discuss global HR initiatives with subsidiary HR actors, or incidents in which they felt the conflict between the needs of integration and responsiveness); means and ends (their strategies for integration and responsiveness were explored in a direct way by asking means and ends related to each strategic theme). Through these methods, we were able to ensure that potentially abstract notions of global integration and local responsiveness could be both made

more concrete and reflected upon to reveal the particular strategies regarding the two constructs within their organizations more easily.

Analysis of data

The interview data was reviewed, coded, and analyzed by the first author. To ensure and check the validity and reliability of the qualitative data analysis (Morse et al., 2002), several methods were used including respondent verification to check the validity of the established concepts. To check the accuracy of the organizational strategies and activities being reported in the self-reports of interviewees, we used multiple respondents for each firm and focused on consistent observations across interviewees.

The data analysis followed three steps. In the first step of the analysis, the interview accounts from each interviewee were initially categorized into predefined broad categories, such as (1) overall descriptions of IHRM strategy, (2) specific IHRM related activities, (3) IHRM strategies for global integration and local responsiveness, and (4) influencing factors on the strategies for integration and responsiveness. Each account was then coded using an emergent label which represented a key notion or specific activities within each broad initial category (first-order code). These emergent codes were then classified with codes of higher-level constructs through inductive reasoning (second-order code). Tables 3 and 4 summarize how these emergent IHRM strategies were derived from the interviews.

The second step of analysis was focused on analyzing at the organizational level. To establish the accuracy of the identified strategies, activities, and related factors from the self-reported responses, only the recurrent second-order codes generated from the analysis across the multiple interviewees in each firm were selected for further analysis. Each of the selected second-order codes was then re-examined for each firm and refined further to reflect general views across the interviewees.

In the third step of analysis, a comparative analysis across the firms was conducted. For each broad category, the second-order codes were compared across the firms. Through the analysis procedure, specific IHRM strategies and related activities in relation to integration and responsiveness could be compared, which were evident in the firms to different degrees. Regarding the patterns of combining the identified IHRM strategies across the firms, we assess the degree of relative salience of each strategy from the interview data based on (1) interviewees' perception with regard to their company's focus on particular IHRM strategies, and (2) their observations of the intensity of executing the activities in relation to each IHRM strategy in their companies. Several factors

Table 3. Logics of action/IHRM strategies and configurations of international HRM activities for global integration.

IHRM strategy	Indicative interview quotes	Related activities
Culture centric global integration To construct organizational identity at the corporate-wide level, corporate values should be shared globally amongst all employees in a company.	#1. Our company has strongly emphasized the 'SteelCo Way'. We believe sharing the sense of a family as a member of SteelCo is very important as a truly global firm… We do various communication and training activities to share a common mindset based on the 'SteelCo Way' with all employees regardless of location or nationality. (Corporate HR group leader, SteelCo) #2. Our group employees should understand 'ITSCo way'… we explain to the newcomers this is the history of ITSCo, and…we have to share these values…We already prepared the same training curriculum so we provide all the regions about these values. That is the sort of global integration we pursue. (Corporate HR manager, ITSCo) #3. The key is our 'InfraCo (company name) way'…Our chairman has a clear philosophy regarding people and he wants to deploy our credo or key values through our HRM systems. We view the integration of our global organization in this way. (Corporate HR executive, InfraCo.)	• Developing and communicating global corporate values • Developing and delivering global learning programs to share corporate values • Developing and implementing global competency framework based on corporate values for assessment in selection/performance appraisal
People centric global integration To support business growth in foreign markets, workforce pool needs to be developed and utilized fully on a global basis.	#4. The most important point…we are saying to our employees around different ElecCo3 companies (subsidiaries) that we offer our talents wherever they're employed, with global opportunities – if they're willing to, and plus, if they're capable of…So that's, in such manner we have a talent management system across the globe…we have a system called global job posting,… each employee also has an opportunity to say, I'm up to it, I would like to go. (Corporate HR executive, ElecCo3). #5. There might be a clear limitation in the growth of our businesses if we are solely dependent on our home nationals. For us, the true globalization means that any excellent person in our Indian subsidiary, for example, can be assigned as the head of our US subsidiary. (Corporate HR manager, ElecCo2). #6. The reason why the global assignment is so important for us is that we are doing business in developing countries such as India and China as well as developed countries. In developing countries, there is always insufficient pool of experienced people…It (the global assignment) also could give a career vision to local employees beyond their current locations. (Corporate HR executive, AutoCo1)	• Implementing global assignment/job posting • Developing and implementing global talent management program • Developing and implementing global grade system • Developing and using global rating scale for performance appraisal

(*Continued*)

Table 3. Continued.

IHRM strategy	Indicative interview quotes	Related activities
HR capability centric global integration To achieve the expected level of functional expertise in HRM across subsidiaries, basic HRM systems and organizations need to be built and connected globally.	#7. When we think of the degree of global integration in HRM, firstly we see overall capability of HR function in subsidiaries and secondly, we see how effectively the subsidiary communicate with the corporate HQ and other subsidiaries. (Corporate HR executive, ElecCo2) #8. Our view on global integration is that every site should have a consistent level of people management practices regardless of locations. Specific HRM systems could be different according to each subsidiary's unique situation, but, each HR function in subsidiaries needs to maintain a required level of expertise. (Corporate HR manager, SteelCo) #9. When we say a function is well integrated globally, it means that the function has seamless communication channels across countries, formally as well as informally. A subsidiary which is well integrated globally tends to communicate in a speedy and reliable way with other units, and thus our CHQ can have a sense of what is going in the subsidiary and respond quickly when an issue emerges. (corporate HR team leader, AutoCo.)	• Defining roles and responsibilities of corporate, regional and local HR organizations • Developing and implementing global HRM systems across subsidiaries • Building global HR knowledge networks

associated with the patterns of combining IHRM strategies were also reviewed.

To strengthen the validity of the constructs of the IHRM strategies, a summary of data analysis results was sent to all the respondents as a respondent validation process (Silverman, 2006). They were asked to check whether the analysis results reflected what they perceived as important strategies in their firms in relation to their IHRM related activities. No critical issue was reported in relation to the concepts and their relevance to respondents' firms. In addition, we conducted a post-hoc test to check the validity and reliability of the five IHRM strategies. Two researchers in IHRM were given the labels and definitions of the five IHRM strategies and 137 interview quotes (with no code). They independently coded all the interview quotes with one of the five strategies. The average score of the two researchers' percentages of agreement with the initial codes across the strategies was 70.8%, which shows that the identified five concepts represent and distinguish the IHRM strategies in the interview data fairly well (Cohen's kappa –0.70: Neuendorf, 2002; Stahl & Tung, 2015).

Table 4. Logics of action/IHRM strategies and configurations of international HRM activities for local responsiveness.

IHRM strategy	Indicative interview quotes	Related activities
People centric localization To do business successfully in each local market, the pool of local staff should be developed and utilized actively rather than utilizing expatriates from HQ.	#10. Our focus is on the attraction and retention of local employees who we need in each local market. We always request subsidiary HR managers to keep focus on that…Every year the corporate HR team requests subsidiary HR teams to submit a list of local candidates to replace current expatriates in key positions in subsidiaries and ask the candidates to come to the corporate HQ to have an opportunity to work for one year. (Corporate HR senior manager, CableCo) #11. We are talking about 'Global ConfCo (company name)', but actually our company is heavily oriented toward localization. Our first priority is to acquire, develop and utilize local people. Even our expatriates are requested to localize themselves fully…think themselves as local people. (Corporate HR executive, ConfCo.) #12. We prefer developing local people internally. Developing local people who would share our values in the long run and replacing current expatriates in key positions of each subsidiary with those locally developed people is one of criteria in judging our global business success. (Corporate HR senior manager, SteelCo.)	• Developing and implementing local talent management program • Use of inpatriation to develop local people • Delegating decision authorities to local employees
Practice centric localization To address unique context of each subsidiary, subsidiary HRM practices should be customized to local situations.	#13. We don't try to transfer parent practices to subsidiaries as we don't think standardized practices can address all the distinct contexts of each subsidiary…Thus, instead, we strive for the local customization. Our management strongly asserted that we shouldn't make a mistake of excessive standardization in HRM practices as the role of HR is to support local businesses. (Corporate HR manager, SteelCo) #14. Our goal of global HRM is to support business success in each local market. We believe people in each country and region are so distinctive and thus the drivers for engaging them are different from each other….For example, in emerging markets such as China, a key engagement driver would be pay. Local employees may have good opportunities to move by an offer of pay increase and thus they tend to be quite sensitive to payment system. We don't set specific pay ranges for key people in those regions and instead we are very flexibly in adjusting their pay level to respond to rapidly changing labor market conditions. (Corporate HR senior manager, CableCo.) #15. We try to localize everything except our core values. Subsidiary HR systems are all different across host countries as a result of adapting to different legal systems and local practices. (Corporate HR executive, ConfCo.)	• Developing and implementing subsidiary HRM systems to address distinctive engagement drivers of local employees • Adjusting subsidiary HRM systems to adapt to unique local contexts

Findings

The results of analyzing the interview data show that the seemingly apparent notions of global integration and local responsiveness are

actually conceptualized and enacted in different ways. We find five IHRM strategies in pursing integration and responsiveness and different patterns of configuration of the IHRM strategies.

IHRM strategies for global integration

Regarding global integration in HRM of MNEs, three IHRM strategies were identified across the domains of corporate culture, workforce, and HR organizational function (see Table 3). Respondents clearly expressed that the notion of global integration is a far more nuanced concept than that of global standardization, encompassing multiple strategies.

Culture centric global integration

This IHRM strategy is found most widely across the companies (see Table 5). It reflects the idea that sharing values among employees across countries would be necessary to construct organizational identity at the global organizational level. Though there was some cynicism regarding the plausibility and efficacy of endeavours toward value sharing across different national cultures, it was nonetheless considered as a mandatory requirement to be a 'global firm' as expressed by corporate HR managers (Table 3: interview quote #1; #2; #3).

The culture centric integration strategy underpins a set of particular activities. Three activities, that are complementary with each other, are prevalent across the firms pursing this strategy. First, they define corporate values and deploy them through various communication methods, such as presentations by corporate HR department, brochure, management speech, and value statement cards. Second, they develop and deliver company-wide learning programs to communicate and share those corporate values. Third, they develop and implement global competency framework based on the corporate values to be used as a part of selection criteria or as an element of the performance appraisal system.

People centric global integration

The second IHRM strategy for global integration is related to the development of internal labor markets across countries within an MNE. When businesses in foreign markets grow rapidly, corporate HR actors tend to face strong pressures from business unit managers to support their business growth by preparing and supplying needed workforces in a timely manner. The strategy of people centric integration implies the fuller development and utilization of workforces on a global basis to support

Table 5. Patterns of configuration of IHRM strategies across the firms.

Category	Global integration			Local responsiveness			Factors			
Strategy / firm	Culture centric	People centric	HR capability centric	People centric	Practice centric	Configuration group	International business strategy	Top management's beliefs on HRM	Country of origin	Perceived dependency on particular host countries
AutoCo	●	●	◎	◎	○	1. Integration focused configuration—	Transnational	Value based/ business support	South Korea	Modest
ElecCo1	◎	◎	●	◎	○	Comprehensive focus on integration with people centric localization	Global	Independent HR	South Korea	Low
ElecCo2	◎	●	○	◎	◎	2. Balanced configuration—	Global	Business support	Japan	Low
ElecCo3	●	◎	○	◎	◎	Selective focus on	Transnational	Value based	Japan	Low
ITSCo	●	◎	◎	◎	◎	integration with modest and comprehensive focus on localization	Transnational	Value based	Japan	Low
SteelCo	●	○	◎	●	●	3. Localization focused configuration—Strong and	Multidomestic	Value based/ business support	South Korea	High
CableCo	○	◎	○	●	●	comprehensive focus on	Multidomestic	Business support	South Korea	High
ConfCo	◎	n/e	○	●	●	localization with selective focus on integration	Multidomestic	Business support	South Korea	High

●: strong emphasis; ◎: moderate emphasis; ○: minimal emphasis; n/e: no evidence.

business growth in foreign markets. AutoCo and ElecCo2 were particularly keen to utilize the potential of workforces fully across countries (Table 5) by extending corporate HR's attention to workforce pools in various foreign subsidiaries as expressed by a Japanese executive (#4).

The adoption of this strategy is largely driven by the expectation that the internal transfer of employees across subsidiaries would contribute to filling gaps between demand and supply in any local labor market as well as expanding career horizons of employees in subsidiaries. Interviewees from MNEs that expand their businesses into emerging markets strongly emphasized the importance of utilizing workforces on a global basis to address the workforce shortage issue in those markets (#6).

We found a typical set of activities underpinned by this strategy. First, companies following the strategy tend to undertake international staffing activities using global assignments across units of the organization and global job postings. Second, they design and implement global talent management programs to develop and utilize global workforce pools. Third, to make the movement of employees across countries easier, they develop and implement a global grade system and global rating scale for performance appraisal.

HRM capability centric global integration

The third IHRM strategy for global integration is related to achieving HR functional effectiveness at the global level. This IHRM strategy is about building HRM systems and organizations across subsidiaries and connecting them seamlessly to build HR functional expertise globally (#7; #8; #9).

We found a set of activities that reflects this strategy. First, the firms pursuing this strategy focus on designing and implementing global HR organizations, including the definition of roles and responsibilities of corporate, regional, and local HR organizations. Second, they develop global HRM systems and provide consultancy supports to implement the HRM systems across subsidiaries through providing guidelines or visiting subsidiaries. Third, they build global HR knowledge networks by promoting knowledge sharing and building social ties amongst HR practitioners through various communication mechanisms, such as global HR conferences, newsletters, and regular conference calls.

IHRM strategies for local responsiveness

Regarding local responsiveness, two IHRM strategies were identified in the domains of workforce and practice (see Table 4).

People centric localization

This is the most widely identified IHRM strategy across the companies. All the case companies show strong or moderate levels of emphasis on this IHRM strategy. Interviewees explicitly mentioned that one of the key objectives of globalizing HRM is to replace current expatriates with competent local staff (Table 4: #10). As businesses in foreign markets rapidly grew and the pool of competent expatriates would become limited, it was a key challenge for the companies to expand their geographical scope in developing and utilizing workforces. A key assumption of this IHRM strategy is that local employees would be more appropriate in developing local markets than expatriates from parent companies (#10; #11; #12). This would give a sense of long-term career vision to local staff as well.

We found that when firms pursue this strategy, they tend to undertake a particular set of activities as follows. First, they develop and deliver local talent management programs to identify high potentials from local people and accelerate their development process. For example, CableCo runs a talent review session and succession planning yearly. Each senior executive should designate more than two successors for each key position and at least one successor should be a locally hired candidate. This shows that an activity, such as talent management program can be utilized for different strategies, such as people centric integration and people centric localization, but the target employees for development are different depending on a particular strategy. Second, the firms also design and implement an inpatriation program as a tool for the development of local employees, particularly their social ties with people in HQ, as the lack of social ties with HQ is considered as a key barrier against the promotion of local employees into key managerial positions in subsidiaries. Third, the firms delegate decision authorities to local employees by defining expatriates' role as a coordinator between corporate HQ and a subsidiary rather than a decision maker within a subsidiary.

Practice centric localization

Another IHRM strategy for local responsiveness is about developing and implementing HRM practices that would be effective in a particular local context or appeal to local employees. Facing unique local business challenges, subsidiary managers might have distinct demands in relation to HRM practices. They judge the degree of local responsiveness of their HR function based on their perception of how the HR function anticipates and responds sensitively to the local demands by understanding local business issues and developing appropriate HRM practices (#13; #14; #15).

The strategy of practice centric localization is more nuanced than the simple adoption of local practices that are widely used in a host country. A major concern is how to understand and address the distinct needs of local employees under the legal, cultural, and labor market conditions of a host country, but not necessarily adopting local practices. Rather, 'effective practices' in addressing the needs of local employees are chosen among practices from various sources including the parent company, other subsidiaries, third countries, and local firms. Thus, the practices resulting from this strategy could be those that are differentiated from local practices, but, adapted to a particular local context.

A set of activities following this strategy includes, on the one hand, the design of each subsidiary HRM practices to address unique engagement drivers of local employees and, on the other hand, the selective adjustment of components of subsidiary HRM practices to avoid legal risks or adapt to local practices in a particular labor market. SteelCo, CableCo, and ConfCo offered concrete illustrations of this. For example, CableCo tried to optimize each subsidiary's HRM system to address distinctive 'engagement drivers' of each subsidiary. There were corporate HR practitioners who were fully dedicated to conduct research and identify those engagement drivers in each subsidiary in collaboration with local HR managers. They helped each subsidiary to design subsidiary HRM practices based on the strategy.

The patterns of configuration of IHRM strategies

With regards to the patterns of pursuing IHRM strategies for global integration and local responsiveness, all the companies in the study expressed a view that both aims should be pursued simultaneously, rather than considered as a trade-off.

However, whilst all the companies pursued both integration and responsiveness to some extent, there were differences in the manner of balancing between the two, particularly in the degree of relative salience of a particular IHRM strategy. We identified three distinct patterns of configuration of IHRM strategies (see Table 5). The firms in each group show similarity in the configuration of IHRM strategies among those in the same group, but they are different from the ones in other groups.

Integration focused configuration

Companies, such as AutoCo and ElecCo1 emphasize integration over localization, pursuing localization only in limited areas. They pursue all three integration strategies comprehensively and put a modest focus on people centric localization with little priority on practice centric

localization. These are the companies operating in auto and electronics industries which have been classified as globally integrated industries (Porter, 1986). ElecCo1's international business strategy could be considered as a 'global strategy' (Bartlett & Ghoshal, 1989), as the interviewees emphasized the globally integrated nature of their businesses and operations. AutoCo pursues a 'transnational strategy' (Bartlett & Ghoshal, 1989) as it explicitly used the term 'Glocalization' to describe their overall orientation of international strategy. Thus, it was not surprising to see that both firms pursue comprehensive global integration strategies in their HRM, as this choice of IHRM strategies can be interpreted as some degree of 'strategic-fit' to support their international business strategies.

However, variations exist between AutoCo and ElecCo1 in their choice of a particular IHRM strategy among the global integration strategies. When we examine reasons for choosing a particular IHRM strategy, one of the recurring themes was top management's belief with regard to the role of HR function. For example, AutoCo's top management emphasized business support as well as sharing AutoCo's way as top priorities for HR function. These beliefs are reflected in its IHRM strategies, as it pursues people centric integration to support global businesses and culture centric integration to facilitate corporate value sharing. On the contrary, ElecCo1 focuses on HR capability centric integration as its top management considered the HR function as a relatively independent function from business side and thus pursued the development of global HR functional capabilities in its own right.

Balanced configuration

ElecCo2, ElecCo3, and ITSCo show a similar pattern with a more selective focus on integration with a modest but more comprehensive focus on localization strategies than the case of the first group (Table 5). In terms of the industry, they are also operating in the global industry, and thus some degree of integration strategies would be expected. But, the firms in this group show a more balanced approach between integration and responsiveness, comparing with the ones in the first group, which operate in the similar industry. This difference might be explained by their country of origin, as those in this group are all Japanese firms. We discuss this point in the next section.

In terms of the choice of particular IHRM strategies, they also reflect their top management beliefs: people centric integration based on the belief that HR should focus on a business support role (e.g. ElecCo2) or culture centric integration reflecting the value focused HR role (e.g. ElecCo3, ITSCo).

Localization focused configuration

SteelCo, CableCo, and ConfCo strive for localization as much as possible, limiting areas of integration to a selected core. They all pursue multi-domestic strategy, thus showing the orientation toward localization in their IHRM strategies. For example, SteelCo expressed explicitly that the 'local optimization' is one of the goals in globalizing HR function. When the corporate HR team visited a subsidiary and tried to support the design of subsidiary HRM practices, they tried to customize the subsidiary's HRM practices to meet unique needs of local employees. This strategy could be explained by a host-country effect, as these MNEs heavily rely on a small number of particular host countries, comparing with the other MNEs which operate across a much larger number of host countries. The host-country effect was more salient when the government control over the industry was very strong, as shown in one of the major host countries for SteelCo.

In terms of the choice of IHRM strategies, we found similar patterns observed in other groups: a focus on global cultural integration, when a value based approach is emphasized by top management (e.g. SteelCo) or a focus on people centric localization, when front-line business support is stressed as a key role of HR function (e.g. SteelCo, CableCo, ConfCo).

The factors that account for variation in the pattern of configuration

As we mentioned above, three broad factors emerged, which are associated with the patterns identified in this research. Those factors are (1) overall international business strategy, (2) top management's beliefs regarding the role of HR function, (3) country of origin, and (4) perceived dependency on particular host countries.

Overall international business strategy

The company's international business strategy, which is closely related to the nature of industry, was one of the major factors that distinguished firms more oriented toward global integration from those oriented toward local responsiveness in their HRM. As shown in Table 5, when a firm pursues a global or transnational strategy, its pattern of combining IHRM strategies tends to be either integration focused configuration or balanced configuration. In this case, there is some variation in the alignment between international business strategies and the patterns of IHRM strategies. However, when a firm pursues a multidomestic strategy, it shows a very clear orientation toward localization focused configuration in its IHRM strategies. CableCo shows strong influence of the

international business strategy on its IHRM strategies as explained by a senior manager:

> 'It would be needed to understand our business. Cable business is an infrastructure related business for a specific country. There are strong regulations by a government and huge cost in logistics. When we went to other countries, our aim is to develop complete business operations from manufacturing to sales within a country targeting at specific local markets in the country…So, integration is not our priority. Our goal of international HRM is how to engage or drive local workforce to improve business results in a particular local market. A key question is what is a driver to gain engagement from local employees and how to replace expatriates with local people within three to five years. Those are top priorities for us.' (Senior HR manager, CableCo.)

Top management's beliefs regarding the role of HR function

Another significant factor, that explains the specific focus within a particular orientation toward integration or localization, was top management's beliefs regarding the role of HR function. Although the international business strategy could explain the differences in overall IHRM strategy orientation, it cannot account for the significant variations within a particular orientation.

More specifically, when key decision makers in a company strongly believed that value-based approach might be the most effective way of managing people, the company tended to emphasize the culture centric integration (e.g. AutoCo, ElecCo3, ITSCo, SteelCo). When they believed that a key mission of HR function is to support front-line businesses, they tended to prioritize the people centric integration (e.g. AutoCo, ElecCo2) or the people centric localization (e.g. SteelCo, CableCo, ConfCo), depending on their international business strategy, as an important way to support global businesses. On the other hand, when they perceived the HR function as a relatively independent function from business side, they made a greater emphasis on the HR capability centric integration (e.g. ElecCo1).

When interviewees discussed difficulties in initiating and implementing global HRM related tasks, they mentioned the complexity and ambiguity accompanied by the globalization initiatives. They expressed that multiple cultural and institutional contexts were often perceived as overwhelmingly complex and it was not easy to find an optimal solution as in many cases there were competing rationalities stemming from those contexts. In this situation, particular beliefs shared by powerful decision makers tended to emerge as a basis for decision making on the courses of actions in relation to IHRM strategies. This point is indicated by a senior manager in ElecCo1:

> 'In the last decade, our company's approach to global HRM has been shifted according to each CEO's character. When he came as a new CEO, as he spent most of his career in staff functions, he strongly emphasized global integration of each function…he asserted that to become a 'truly global company' we should be able to appoint a best person in each position regardless of nationality and thus we need globally integrated (standardized) HRM systems to support this…This was drastic shift in our approach to HRM as the former CEO emphasized 'culture' rather than 'HR system' as a way of achieving global integration' (Senior manager corporate HR, ElecCo1).

Country of origin

In our study, the Japanese firms tended to show a more balanced approach than the Korean firms. They show a more focus on the practice centric localization and a less focus on HR capability centric global integration than their Korean counterparts in respective industries. Though the corporate HR managers of the Japanese MNEs were interested in global integration in terms of culture and workforce, they were less concerned about the standardization of subsidiary HRM practices than those in the Korean firms and largely considered operations of subsidiary HR as a matter of local delegation. Interestingly, they exhibited a division of corporate HQ's HR function into overseas HR and domestic HR in their HR organization charts, while the Korean MNEs' HR functions were headed up by a single senior HR executive on a global basis. The Japanese firms also shows less portions of overseas sales (71, 46, and 32%) than their Korean counterparts in the global industries (75 and 85%) (Table 1). These might indicate that the Korean firms might have a stronger interest in a globally integrated approach than the Japanese ones in this study.

Perceived dependency on particular host countries

Finally, we found that there are significant differences across the firms in their perceived dependency on particular host countries. For example, interviewees from SteelCo, CableCo, and ConfCo mentioned that their firms have a high degree of dependency on particular host countries (e.g. India for SteelCo; China and USA for CableCo; China and Vietnam for ConfCo.) as they are much less diversified across different nations, comparing with other firms which have a large number of subsidiaries across different regions in the world. Those three firms showed a much stronger orientation toward the localization focused configuration as the localization pressures from the countries might be more salient due to the clearer focus on the particular local businesses (Table 5).

Discussion and conclusion

With regard to our research questions, firstly, we find the five IHRM strategies in pursuing global integration and local responsiveness across the MNEs. Our study first shows how each of the strategies shapes a distinct set of related activities. Secondly, it illustrates the three patterns of configuration of the IHRM strategies across the firms and shows that the multiple strategies for integration and responsiveness are pursued concurrently rather than sought after solely based on 'either-or choice' between the two strategic themes. Thirdly, we identify the three primary factors—international business strategy, top management's beliefs, country of origin and perceived dependency on particular host countries—that affect the patterns of configuration.

Theoretical implications and contributions

We now discuss the important theoretical implications that the study has for the literature on (1) the issue of managing the duality of integration and responsiveness and (2) IHRM strategy. In essence, we applied a perspective of configuration theory to answer our research questions and to contribute to the two streams of research.

First, our study provides insights into the issue of managing the duality of global integration and local responsiveness in MNEs (e.g. Bartlett & Ghoshal, 1989; Brewster et al., 2008; Evans et al., 2002; Luo, 2001). It shows how MNEs address the challenge by combining the multiple IHRM strategies concurrently. There have been arguments for the duality of integration and responsiveness (e.g. Brewster et al., 2008; Evans, 1999; Evans et al., 2002), but exactly how the seemingly contradictory aims could be pursued simultaneously has not been made clear. Our finding indicates that the multiplicity and configuration of IHRM strategies enhance their capacity to address the duality problem and gave the firms an opportunity to pursue the two strategic aims concurrently.

How can we explain the emergence of the complex patterns of selective behaviours of the firms, such as hybridizing multiple strategies for different strategic themes, to confront the dual pressures for integration and responsiveness? Although structural factors, such as industry characteristics and related international business strategy may affect a firm's broad orientation, the actual combining of the strategies would be determined by the choices across viable options, made by key actors in a firm, such as top management and corporate HR actors. From a contextual HRM perspective, for new patterns of integration and responsiveness to emerge there must first be the necessary condition of the need for more globalized business solutions (the outer context), but also an inner context, or

sufficient condition, of accepted strategies, each strategy encapsulating a critical mass of positive and supporting factors (Hendry & Pettigrew, 1990). More specifically, it can also be explained as a 'selective coupling' behaviour within a pluralistic institutional environment (Pache & Santos, 2012). In a study of social enterprises, which incorporate competing commercial and social welfare logics, Pache and Santos (2012) identified that the case organizations selectively coupled intact elements prescribed by each logic, rather than decoupling or compromising between the two competing logics. The combinations of the logics across a number of organizational detailed elements reduce the risk of losing legitimacy from a related-stakeholder group by following one logic at the expense of the other (Pache & Santos, 2012). Similarly, we suggest that the patterns of combining multiple IHRM strategies for integration and responsiveness identified in this study can be understood as a deliberate legitimacy seeking behaviour involving multiple actors embedded in different strategies.

Second, with regard to IHRM strategy, it highlights the significance of conceptualizing IHRM strategy in a way that allows us to make finer distinctions of strategic intentions of MNEs in order to account for various sets of an increasingly broader range of IHRM activities. By identifying the five IHRM strategies, we show that the global integration and local responsiveness constructs could be more usefully specified into multiple distinct strategies. While IHRM literature has indicated the importance of managerial intentionality in shaping corporate-level IHRM approach (e.g. Taylor et al., 1996), few studies explore specific managerial intentionality underlying various IHRM activities. In this study, rather than making blanket assumptions with regard to the managerial intentionality underlying the strategic themes of integration and responsiveness, we illuminate finer distinctions in the ways in which MNEs internationalize their HRM by exploring detailed IHRM strategies.

Finally, our study extends the adoption of a configurational view in the HRM scholarship by applying it to the research on IHRM strategy. Studies of IHRM strategy have focused on rather narrow domains in IHRM, such as staffing strategy (e.g. polycentric, ethnocentric strategy) or HRM practice orientation (e.g. exportive strategy, adaptive strategy). While they are useful, it would be difficult to capture and examine increasingly diverse and complex phenomenon across the areas in IHRM. Recently, the configurational view has attracted attention from HRM scholars as a way to examine and explain broader HRM phenomenon (e.g. Chidlow et al., 2021; Civera et al., 2022; Luiz & Spicer, 2021; Ren et al., 2023; Zhu, 2019). This study contributes to the stream of literature by demonstrating how MNEs actually conceive their IHRM strategies in a much wider sense across the multiple areas rather than a practice orientation (e.g. Schuler et al., 1993; Taylor et al., 1996) and thus suggesting

that studying IHRM strategies based on a configurational view would be more holistic and comprehensive to reflect recent developments in practice and research in the field of IHRM.

Limitations and future research

Despite the contributions this study makes, it is not without limitations. First, it is always difficult to argue the generalizability and comprehensiveness of the findings based on the study of eight MNEs. Further empirical research in different contexts should be conducted to examine the generalizability of the findings from this study. Second, although we have surfaced important IHRM strategies, a useful next step would be to explore the possibility that there might be important relationships among the strategies identified in this research. Future research could usefully identify the requisite approaches that are required to manage a range of potential relationships among the strategies. In the future, it would be useful to devise quantitative studies using measures based on the identified strategies and activities from this study, to examine the impacts of specific configurations of the IHRM strategies on organizational outcomes. Finally, we have identified the IHRM strategies by examining South Korean and Japanese MNEs. It would be interesting to see if the strategies are also employed by MNEs from other nations.

Disclosure statement

The authors declare there is no Complete of Interest at this study.

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Data availability statement

The data supporting the findings of this study are available within the article and are available from the corresponding author, CC, upon reasonable request.

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