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Human resource management in Europe: Looking again at the issue of convergence

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Abstract

Human resource management (HRM) in Europe is still a hot topic. New members of the European Union, an aging workforce, modified psychological contracts, and the international war for talents are just some of the challenges that European companies currently face. In addition to this, the consequences of the financial crisis are still to be overcome. Overall, it is still an open issue whether it would be better for companies to aim for a 'European HRM' as a rather homogeneous concept or for an 'HRM in Europe' as a concept of diversity. This paper discusses four different paradigms and four different HR concepts, leading to a specific framework that makes suggestions for divergence and convergence with respect to a specific HRM for Europe that is helpful for gaining global competitive advantage.

Keywords: human resource management; European HRM; strategy, research, and education; international HRM; best practice; divergence; convergence; competitive advantage

HRM and Europe: new answers needed to an old question

HRM is one of the most important factors of success (e.g., Pickett 2000; Sparrow, Schuler, and Jackson 2000; Evans, Pucic, and Barsoux 2002; Collins and Clark 2003; Hayton 2005). However, there are many reasons why HRM is (still) a big issue for European companies: the aging workforce, competitiveness within the EU and on a global level, changes in psychological contracts between companies and employees (e.g., Janssens, Sels, and van den Brande 2003; Scholz 2003; Aselstine and Alletson 2006), the economic crisis, and the global war for talents are just a few of the challenges that European companies currently face.

All this holds true basically for all companies around the world. However, for European companies additional challenges are to be noted.

First, the number of countries belonging to the political unit ‘Europe’ is constantly increasing: from six in 1957 to 27 in 2010, with countries such as Turkey already waiting at the border. The consequence of this, among others, is the difficulty of creating a common value system, which guides behaviour and the selections of systems (e.g., Heichel, Pape, and Sommerer 2005; Eder 2007; Georgiadis 2008).

Second, the countries in Europe are at different stages of HRM development. Typical of that is the paper by Vuontisjärvi (2006), which deals with the connection of HRM to corporate social responsibility in Finnish companies: here we see that CSR at this time is a rather new concept for this country. Another example is the concept of flexicurity, promoted by the EU in Brussels: it works well in Denmark (e.g., Nielsen et al. 2008), but not in Germany. Scholz and Böhm (2008) present in conjunction with the European Association for Personnel Management (EAPM) a country-by-country analysis of Europe, proving again the huge differences. The consequence of all this is the difficulty for multinational companies to work with homogeneous HR strategies within Europe; while it is perfectly normal for the

USA to have the same HR system in Boston and San Diego, in Europe the differences between two countries can be extreme.

Third, companies in Europe definitely face different sociocultural traditions, legislative frameworks, and institutional contexts (Kelly 2004). For example, the term social partnership has a special meaning in the European context (e.g., Ferrer and Hyman 1998; Casy and Gold 2000) and stands for a far more developed codetermination of such institutions than in other areas of the world. The institutions play a legitimate role in representing employee interests in agendas such as minimal wages, working conditions, and social benefits – even if this legitimacy is being increasingly questioned in several countries.

Bringing all this together it is easy to understand why companies in Europe still struggle in their search for a meaningful and promising HRM. Looking ahead, this search will be of increasing importance. Companies are becoming more and more global and due to the war for talents they have to recruit on European and international markets. All these activities demand an adequate HRM. At the same time, it is not only of interest what European companies really do, in the sense of a descriptive look at HR practices. We should also try to find out, in a prescriptive way, what European companies should do in order to create a competitive advantage with their HR practices.

Background: the need for discussion

When trying to give answers to the questions stated above, there are several roots one can use: starting from theoretical and empirical research, we have to talk about a global HRM and about the political influence coming from the EU.

Conceptually: HRM in Europe or European HRM?

Looking back to the summer of 1992, the Conference of International Personnel and HRM took place at the Ashridge Management College. Among many other issues, the participants discussed one specific question: convergence or divergence of HRM in Europe? The answers pointed in three totally different directions (e.g., Brewster 1994; Kavanagh and Scholz 1994). The first answer was a strong point that it will take only a few years until HRM in Europe converges into something that we call the current US-style HRM. The second answer was that at least the cultural differences within Europe have been seen to prevail, which will reflect in a variety of HRM systems in Europe. The third answer saw us converging towards a specific European HRM. Today, almost 20 years later, the discussion is still the same and still open (e.g., Brewster 2007; Brewster, Mayrhofer, and Morley 2004; Gooderham, Morley, Mayrhofer, and Brewster 2004).

The question of whether country-specific approaches to HRM are more effective and more apt to enhance competitiveness or whether global competition justifies global HR management practices directly addresses the debate on whether successful HRM strategies are global or country-specific. In this debate, the culture-specific management position (also referred to as contextual, see e.g. Sparrow, Brewster, and Harris 2004) and the culture-free management position are opposed (Braun and Warner 2002). Advocates of both positions have developed good arguments and a lot of literature has been produced.

Besides, there are concepts that ‘bridge’ these two positions: contingency theorists assume interactions between HR practices and contingency factors like sector of activity, company size, ownership, or organisational structure (Nikandrou, Campos e Cunha, and Papalexandris 2006). Performance in this view depends on a fit of HR practices and other organisational characteristics, and internal consistency. Certain bundles of HR practices are suitable for certain types of companies, regardless of their country of origin.

However, the question of whether HRM is better handled as convergence or as divergence has been unresolved among both international management researchers and HRM researchers. There is one more point: maybe HRM is both – convergence and divergence at the same time.

Empirical: looking at the data

Many researchers deal with the question of whether a European HRM (convergence) or an HRM in Europe (divergence) exist.

A study across seven European countries (Denmark, France, Germany, the Netherlands, Spain, Sweden, and the UK) revealed HR management philosophies and practices that seem to converge: this convergence affected the importance accorded to human resources in the countries that were included in the study, the devolution of responsibility of HR issues from national-level institutions to the firm and within this to line management, as well as the linking of corporate and HR strategies so that they are mutually reinforcing (Clark and Pugh 2000, p. 96).

Weber, Kabst, and Gramley (2000) tried to answer the question of whether organisation-specific variables or country-specific circumstances have a greater impact on HR policies in European organisations by analysing seven HR policies. They found that training and development were determined by company-specific antecedents. The influence of country-specific antecedents was quite small concerning pay and benefits or employee communication, a bit higher in recruitment and selection, and highest in equal opportunities or diversity. In a more recent study, Weber and Kabst (2009) analysed whether HR strategies could be explained by organisational or country-specific factors. The result of their study is that some country-specific factors influence activities in HR, like pay and benefits and also high-fliers.

Mayrhofer, Morley, and Brewster (2004) used the Cranfield surveys to analyse the convergence and divergence of HRM practices in Europe. None of the HR practices converge at the end of the decade. Rather, the maximum point of convergence is reached in the middle of the decade with signs of divergence after that.

Sparrow et al. (2000, pp. 64–65) almost closed the case when they found evidence of even a worldwide convergence in some HRM practices and policies implemented to enhance competitive advantage. These either affect cultural change, structure, performance management, resourcing or communication, and corporate responsibility. The trends they identified are higher employee empowerment and the promotion of a diverse and egalitarian culture, decentralisation of responsibility, a trend towards higher customer orientation, which can provoke a greater sharing of risks and rewards (e.g., by performance-related remuneration schemes), flexibility with regard to job assignments and decisions, and a greater involvement of employees due to ameliorated communication structures and sharing of the company’s goals with all the employees.

International: the global view of HRM

There is also the question of how an international company should set up its international HRM across all the countries in which it is working (e.g., Dowling and Welch 2005; Ferner 1997). Convergence perspectives share a functionalist mode of thought (e.g., Sparrow et al. 2004, p. 33). This logic is explained by references to its contribution to technological and economic efficiency. This global convergence argument is based on four characteristics: (1) the power of markets ensures that those firms that are more productive with lower costs will be successful and other firms will be driven to copy them to survive; (2) the transaction cost economics, which mean that at any point in time there exists a best solution to organising labour. The tendency is for firms to converge toward similar structures of organisation and labour practices flow from the needs to accommodate these structures; (3) the like-minded international cadres, which mean the ways in which the thinking of managers becomes globalised. For example, the EU has with the Bologna process introduced a uniform university education system, which is also connectable and analogous to the US university system; (4) cost, quality, and productivity pressures, which mean for instance the worldwide convergence of quality standards. This means that there is a worldwide tendency to standardise processes, to receive a better cost structure and a similar product and service quality. These four developments influence the HRM practices all over the world, since only then is HRM able to bring the company to the position of a low-cost producer.

HRM has also been highly influenced by thinking in the USA in the past. The US origins of theories of HRM have been widely accepted across the world, irrespective of the cultural or national context. Taylor, Barnard, and Mayo as well as Mouton and Blake stand as examples of management theorists who seek to develop management principles that can be universally employed as ‘best practices’ (e.g., Pudelko 2005, p. 2045). According to Müller (1999, p. 126), the American concept of HRM in particular ‘has emerged as one of the most important prescriptions for a world-wide convergence of managerial practices’. A study of six Asian and three Western countries addressed the question of trends toward convergence or divergence in beliefs about hiring, training, performance appraisal, and compensation practices (e.g., Galang 2007). A soft convergence was noted in some aspects of HRM, such as hiring, for instance; it is indeed tempting to say that given time, countries will eventually converge.

Sparrow and Hiltrop (1997, p. 201) make a cautious attempt to delineate European HRM from US-American HRM. They emphasise five characteristic features in their comparison with HRM in the USA: (1) European HR departments are more restricted in their autonomy, (2) European HRM has traditionally been less exposed to market processes, (3) European approaches to HRM focus more on groups than on individuals, (4) social partners like trade unions or employee representatives have a higher influence in Europe than in the US, and (5) labour market politics is more regulated.

However, within this global view one essential problem exists: the ‘best practice’ in the US may not be the best practice in another country, because of the difference in cultures and value systems as well as institutional and structural factors between countries and organisations.

Politically: HRM and the European Union

The EU also sets political frames for the development of HRM activities within Europe and has to be seen as an important collective actor and major change driver affecting individuals, organisations, and national states (Larsen and Mayrhofer 2006, p. 263). EU legislation in fact has had and still has a far-reaching influence on its member countries and their populations in creating equal opportunities and creating a homogeneous market, and it assists its member states in coping with the impact of structural changes on employment due to globalisation (Liemt 1998).

After years of disappointing approaches to implementing ‘The Lisbon Strategy’ decided by the EU Council in March 2000, which aims at developing Europe into the world’s most competitive and dynamic knowledge-based economy, it has become most urgent to concentrate on people management and development, people competences, and leadership in the real world of economy and work. In this context, HR activities are becoming more and more important to companies’ strengthening of their economic position, since they can be linked directly to organisational value creation.

Those recent EU developments that most affect HR practitioners and business leaders are according to Sforza (2005) pensions, people mobility, and corporate governance. The adoption of an EU-wide legal regime for pension funds will, among others, give companies the opportunity to set up their pension fund anywhere in Europe, and it sets an end to the discrimination of the deductibility of contributions paid to foreign-based pension funds for tax purposes by some countries. Increased people mobility will give companies the opportunity to recruit globally and to allocate work more efficiently. As for corporate governance, the EU promotes the transparency of directors' remuneration and defines minimum standards for the creation, composition, and role of the nomination, remuneration, and audit committees.

More systematically, EU policy with a more or less indirect impact on HRM can be associated with four major policy domains: (1) employment policy, (2) education policy, (3) competition policy, and (4) economy policy (Weidenfels and Wessels 2002).

It is evident that the EU can only even out legal differences between its members as far as they are ready to cede national political competences. The coexistence of different national approaches to Europe-wide joint political challenges, e.g., the reduction of unemployment, the aging workforce, and the management of diversity, are therefore also characteristic of Europe.

Theory: four paradigms and concepts to work with

With regard to our located need for discussion and research framework, we start with the relevant paradigms and concepts, to explain the development of future HRM for Europe.

The universalistic paradigm and the concept of best practice

The universalistic paradigm, which is dominant in the USA, is an approach of social science to use generalisations in an abstract and law-like manner (e.g., Lepak and Shaw 2008, p. 1487). This paradigm assumes that there is one best way to organise a company and to set up the management systems. For strategic HRM this paradigm tries to improve the way that HR are managed strategically within organisations with improving corporate performance (e.g., Delery and Doty 1996). The major benefit of the universalistic paradigm is the simplicity of focus and the clear relationship with the demands on industry (e.g., Brewster, Mayrhofer, and Morley 2000, p. 6).

In this context ‘the best’ implies having the largest positive influence on performance (e.g., Lepak and Shaw 2008, p. 1487). The vision of a US-driven HRM is culture bound, and in particular, a view of HRM as based on the largely unconstrained exercise of managerial autonomy has been attacked as being peculiarly American (e.g., Mayrhofer and Brewster 2007, p. 269).

In summary, the universalistic paradigm tries to show what is the ‘best practice’ of HRM and that each company that follows this best practice is successful.

The contextual paradigm and the concept of contingency

The contextual paradigm searches for differences between and within HRM in various contexts and what the antecedents of those differences are. As a contributor to the explanation, this paradigm emphasises external factors as well as the actions of the management within the firm. For this reason such factors as culture, ownership structures, labour markets, the roles of the state, and trade union organisation are very important (e.g., Nikandrou et al. 2006). The contextual paradigm argues that the reality of the role of many HR departments consists of lobbying about and adjusting to government actions and dealing with equal opportunities legislation or with trade unions and tripartite institutions, which form an important part of the HR role.

Contextual relates to the concept of contingency, where actions and systems are to be in line, for instance, with the culture. Since European countries have different cultures and since there are strong arguments supporting the hypothesis that these differences will remain or will even increase, all this leads us to a process of divergence: HRM in different countries will be different and will even become more different. Considering culture and HR systems as production factors, each country in Europe creates for itself a competitive advantage, since they create different factor combinations.

In summary, the contextual paradigm tries to show that there are many different influences on HRM in Europe, which lead to due to the contingency logic for different HR systems.

The minimal group paradigm and the concept of identity

Tajfel, Billig, and Bundy (1971) brought the idea of the minimal group paradigm to the fore of European social psychology. The studies of the minimal group paradigm were meant to explicate the ‘base-line conditions’ for intergroup discrimination (p. 151). One result is that the differentiation between groups consists of favouring the ingroup over the outgroup. These studies have shown that the strategy of maximal differentiation in favour of the ingroup is preferred.

Collective identity has been at the centre of attention in societies that were formed in the course of the making of the nation state. For some time, collective identity has been an issue with regard to Europe, where public debate is increasingly concerned with the problem of a European identity (e.g., Pinxten and Cornelis 2007; Caporaso and Min-hyung 2009). A group has an identity if it succeeds in defining itself compared with other groups by attributing meaning to itself that is stable over time. It also contributes to motivation and to implicit coordination.

However, one question remains: at which level should the building of identity take place in order to make use of its positive effects? Basically, there are two options. (1) The level of identity building is ‘Europe’, leaving us with a European identity. We all feel ourselves to be Europeans and we act according to this guiding belief. In that case we need a process of convergence, since this power can only be generated if everybody accepts that ‘large’ identity. (2) The level of identity building could also be on the level of the country. In that case we feel ourselves to be German, Austrian, Finnish, or Greek. The advantage of that is the smaller unit, which makes it easier to define the identity.

In summary, the minimal group paradigm allows us to see the EU as having one identity, but it also allows the single countries to separate themselves from other EU countries.

The strategic paradigm and the concept of competitive advantage

It has been argued that there is a direct connection between strategic HRM and economic success (e.g., Huselid, Jackson, and Schuler 1997). Strategic human resource management research has increasingly relied on the resource-based view of the firm to explain the role of human resource practices in firm performance (Scholz 1982; Schuler and Jackson 1999; Collins and Clark 2003; Martín-Alcázar, Romero-Fernández, and Sánchez-Gardey 2005) and should identify resources that are critical to advantage in a given competitive context, employees with their knowledge, skills, and abilities being one part of this (Snell and Dean 1992; Snell, Youndt, and Wright 1996).

One of the most well-known typologies of strategy developed by Porter (1980, 1985) has served as the basis for theory development in HR strategy as well (Bamberger and Meshoulam 2000, p. 40). He identified two main types of generic business strategies used by companies to achieve competitive advantages. (1) The ‘cost leadership strategy’ is based on the development of a lower-cost structure designed to strengthen the market potential of a firm’s products or services. This HR strategy emphasises efficient and low-cost production. It reinforces rational, highly structured, and standardised systems. (2) The ‘differentiation strategy’ aims at allowing the firm to achieve competitive advantage by distinguishing itself from its competitors in ways that are valued by customers, like quality or services. This HR strategy emphasises innovation, flexibility, or renewal of the workforce by attracting new talents from other firms. This strategic paradigm results in the concept of competitive advantage. In today’s extremely competitive markets, one essential way of maintaining a competitive advantage is to have a highly committed and competent workforce.

Putting all this into perspective for Europe, we have two totally different options for the strategic perspective: (1) using synergies and standardisation in order to reach the position of cost leadership, which would lead to convergence of the systems; (2) focussing on the differences and gaining a competitive advantage for Europe by looking for individual competitive advantages for each single country.

In summary, the focus of the strategic paradigm lies on the two directions of standardisation and differentiation. For strategic HRM in Europe these two directions also exist.

A framework for discussion

Several authors have provided theoretical frameworks or models for analysing the management of human resources (Schuler, Dowling, and De Cieri 1993; Brewster 1995; Sparrow, Brewster, and Harris 2004).

According to the theoretical background discussed before, we can extend these suggestions and put together a framework that explains the current and future developments of HRM in Europe. This framework is made up of the four paradigms and the four concepts of HRM. Beside these components two driving forces exist, which are behind all the suggestions and help to clear the picture: market and culture (Figure 1). On the right side we see the universalistic paradigm and the concept of best practice. These activities are driven by the market and result in convergence. On the left side we see the contextual paradigm and the concept of contingency. These activities are driven by culture and result in divergence. In the middle we see the strategic paradigm with the concept of competitive advantage and the minimal group paradigm with the concept of identity. These two paradigms can result in divergence as well as in convergence, to be shown in what could be called the DI-CON-HR model (Figure 1). But what does this mean for HRM in Europe? How is it possible to use these components to gain a competitive advantage for European companies?

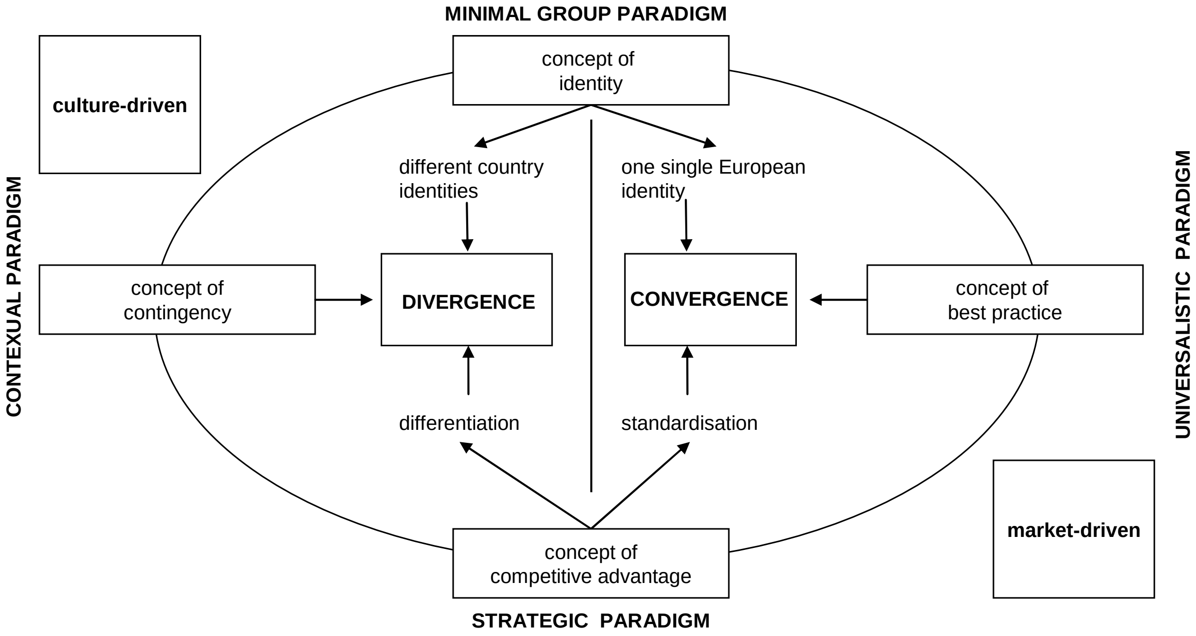
MINIMAL GROUP PARADIGM
culture-driven
concept of identity
different country identities
one single European identity
CONTEXUAL PARADIGM
UNIVERSALISTIC PARADIGM
concept of contingency
DIVERGENCE
CONVERGENCE
concept of best practice
differentiation
standardisation
market-driven
concept of competitive advantage
STRATEGIC PARADIGM

Figure 1: Framework of HRM in Europe – DI-CON-HR model

Market-driven developments

The first important driver is the market. As we have already seen in the projection of Friedman’s (2005) *The World is Flat*, the market forces lead the way to a convergence of the systems. This holds true both for the concept of best practice as well as – at least partially – for the concept of competitive advantage.

As for the concept of best practice, the driving forces of the market combined with increased transparency of strategies, systems, and behaviour level the field. The companies look for the same bench practice cases and the same benchmark. Typical examples are systems for job levels, where just a few systems exist. Since some companies claimed to be happy with them, they were transformed into best practice cases and into the benchmark that all other companies have to follow. However, contrary to the belief of Friedman (2005), these levels need not necessarily be at a low level. We only know that it will be just one level. Since basically all companies follow practically the same benchmarks, we definitely obtain a strong tendency to converge. The same holds true for compensation-and-benefit software: here we have in Europe just a few IT solutions, which are seen as the best practice and therefore as the blueprint to follow. There are some similarities with respect to HRM as a supportive function for organisational change, for challenges like skills shortages, and for hopes, especially HR as business partners, and within the HR information system. One other trend in European countries is that the extent of outsourcing of HR activities, whilst substantial, has not changed much from its traditional levels; the use of e-HRM is still in the future in most organisations and unsurprisingly, therefore, the size of the HR department in comparison with all the other employees has changed little (Brewster et al. 2006). However, we also see that the institutional power of the EU and its approaches to employment practices will lead to a convergence towards a specific European model (e.g., Brewster 1995). In the US model, for instance, one set of features is designed to increase individual flexibility and employee self-regulation of quality control.

As for the concept of competitive advantage, we look at the driving forces that could help Europe to gain a competitive advantage. Right now we have a competitive disadvantage, since overall in Europe we do not have identical systems and procedures. This variety causes high transaction costs. At this point, the markets as driving forces come into play: they force the companies as well as the legislative bodies at the EU level to increase standardisation by introducing norms and regulations. Even though local units usually object to these approaches, for instance, to have the same certification procedure for beer in Europe, the markets call for them. However, this standardisation is not a general procedure, since it applies only to those systems and procedures where we can gain a competitive advantage (or at least reduce a competitive disadvantage) by having reduced transaction costs.

As we can see: the markets as driving forces lead us constantly to a convergence in our systems and procedures, even though the motives derived from the concept of best practice and the concept of competitive advantage are totally different.

However, there is one aspect where the concept of competitive advantage leads us to an increase in divergence: due to the strategic move of differentiation (Porter 1985), different countries should and do aim at gaining a competitive advantage by being different. As we learned from Porter (1998), this strategy may be derived from natural resources, but also from historic choices. The same holds true for HRM systems. For instance, wage policy and labour market regulations are elements of strategies that European companies use in order to be different – in a positive and successful way.

Culture-driven developments

Another driving force is culture, which is to be seen at the local, regional, national, and supra-national levels. This culture has at least two effects: it has to be considered as a contingency, and it has to be seen as something every group is developing over time.

As for the concept of contingency, in Europe we have different cultures and we will have different cultures in the future. We also have different historical backgrounds, different legal systems, and a different understanding of many day-to-day routines. These different contingencies have a long tradition, which can be understood nicely by comparing older literature in this field (e.g., Tyson, Lawrence, Manzolini, Poirson, and Soler I Vicente 1993) with recent textbooks (e.g., Scholz and Böhm 2008). As a whole, HR practices strongly reflect the national context (e.g., Brewster and Tyson 1991), like traditions or country culture. The cultural dimension affects the value system of a group, like a country group, as well as a company and its environment. HR managers need to position their own corporate strategy within this more general cultural framework, to create a motivating and identity-supporting climate. In the cultural dimension the focus lies on analysing (visible) artefacts, (more or less conscious) values, and (unconscious) underlying assumptions of HR practices. Culture and other contingencies affect e.g. recruitment and dismissal practices, official commitments to employees' development, and social relationships within organisations. To illustrate the impact of cultural value systems on research in HR we can pick up the flexibilisation of labour forms once more. Raghuram, London, and Larsen (2001) found evidence of inter-country variations with regard to flexible employment practices, which are explained by cultural differences: part-time work in their study was related to power distance and individualism; contract work was related to uncertainty avoidance and individualism. Shift work was related to uncertainty avoidance, power distance, and individualism, while telework was related to femininity. They also stated a tendency for high uncertainty avoidance cultures to utilise less telework, part-time work, and temporary work.

According to the minimal group paradigm the concept of identity plays an important part within Europe. This concept of identity means how organisational units tend to define themselves by being different from others. On the one side, this concept supports divergence, because these factors make them different from others, like specific culture, language, or laws. On the other side, the concept of identity also supports convergence: a united Europe is another interesting identity. This process especially is observable in new European countries or countries who want to join.

Discussion and implications

Looking at all this and the framework derived from it, we see interesting implications for theory, practice, and teaching.

HRM theory

International management research and HRM research have not taken the context seriously (e.g., Edwards and Kuruvilla 2005; Johns 2006). To the extent that countries differ in their political, economic, social, and cultural institutions from those typical of the context in which current management models and theories were developed, the application of these theories may lead to inaccurate conclusions (e.g., Tsui 2007, p. 1357).

The right side of our DI-CON-HR model (Figure 1), which includes one single European identity, competitive advantage about standardisation, and the focus on the concept of best practices, relates to what can be described as 'institutional isomorphism'. This means that firms or organisations are becoming more homogeneous. This reflects the formal regulatory structures, the manner in which the socialisation process is framed by nation-specific – as well as EU-specific – formal and informal patterns of behaviour (e.g., Farndale, Brewster, and Poutsma 2008, p. 2005). This leads to an interesting issue for HRM research, which is to locate institutional isomorphism within HRM in Europe. Following systems theory, we look for ultra-stability of convergence. As for the mechanism of control, we are looking for market-driven on the outside but hierarchy on the inside. The left side of the framework is the opposite, looking for divergence, multi-stability, and a market system within Europe.

As regards HRM theory, we have to increase the amount of research in comparative IHRM. This statement is not new, but it is important to note that we have to increase it with two different goals: to try to level the field by finding the best practice everybody has to follow (the right side of the DI-CON-HR model) and – at the same time – to try to find the comparative advantages in order to stay or to become different (the left side of the DI-CON-HR model). This calls on the meta-level for a decision rule that allows us to find out where to converge and where to diverge. This would also be an interesting challenge, since by now comparative IHRM is basically a purely descriptive science.

HRM practice

The action scope for HRM presented in this paper as well as the presented theoretical perspectives of HRM are highly relevant for researchers as well as for practitioners – and not only for those from Europe, but even more urgently for those from outside Europe. Especially US-American and Asian HR managers have to understand the broad range of particularities of European HRM approaches. That HR managers often become aware of the importance of people at the latest when they have difficulties in finding the right qualified people for open positions is only one of the typical HR-related problems that will be discussed from a European perspective: What are the current and future topics? What are the current trends of HRM? What have HR managers to learn about practice in Europe?

Currently, HRM in Europe is of course to some degree dealing with synergies and other nice results from convergence. However, sometimes overlooked is the fact that HRM in Europe also means developing and maintaining differences. As we can see from a recent study of HRM in Europe (Scholz and Böhm 2008), countries are proud to be European, but also proud to be different. Therefore, we can expect both HR convergence and HR divergence in the future. HR in practice has to take this into account and has to make use of the opportunities derivable from that.

HRM teaching

Universities play a key role in meeting a country’s requirements by ‘producing’ human capital and also educating future HR managers. The quality and thematic focuses of university HRM programmes determine the way a company’s workforce will be managed in the future and motivated for high performance work.

Of course, HRM education programmes are not rigid but evolve over time and in accordance with economic needs, changing job specifications for HRM, or political requirements. Because of the Bologna process initiated by the EU, university programmes in HRM throughout Europe are actually undergoing far-reaching reforms. Some of them have already introduced Bachelor and Master degrees including the indispensable ‘European Credit Transfer System’ for students’ transborder mobility, while others are still struggling with themselves and discussing how to align their HRM programmes with Bachelor and Master requirements.

Applying the framework to teaching in general, we have to look for systems that relate to the specific contingencies of the country, keep or create identities, share best practices, and gain a competitive advantage for the European countries as a whole, and for each individual country.

Applying the framework to teaching in the field of HRM, we must look much more into the four paradigms discussed in the paper and must pay more attention to the dynamics over time: it is not only important for students to understand the today; they must also understand the past and the possible futures in order to play the expected important role later in their companies.

Table 1. Questions from the DI-CON strategy

HRM theory	HRM practice	HRM teaching
Is it a competitive advantage for the European Union if HRM becomes more homogeneous?	Which differences in HRM activities deliver competitive advantages?	Which HR system is typical of which country?
For which HRM activities is European standardisation the best way?	What have HR managers to learn about practice in Europe?	Which developments or dynamics are European companies to consider?
For which HRM activities is European diversity the best way?	What do HR convergence and HR divergence mean in practice?	

Conclusion

Going back to the difference between ‘HRM in Europe’ and ‘European HRM’, we see both at the same time. In our logic, ‘HRM for Europe’ consists of a segment of convergence (‘European HRM’) and a segment of divergence (‘HRMs in Europe’). In this sense, divergence and convergence are no static terms; they relate to dynamic concepts. Looking at this dynamics and at the interaction of the four paradigms displayed is fascinating: it helps us to understand the HRM in Europe and it helps us to make it even more competitive. This idea of becoming more competitive is the main challenge we have to take out of the proposed DI-CON strategy: research, practice, and teaching must be directed not only towards description (‘What is happening?’), but also and even more on prescription (‘What should happen?’). This also includes the political discussion on the EU level, which is currently opposite to the founding idea of Europe, focussing only on convergence and standardisation. International human resource management must become part of the search for the competitive advantage of continents – not in an isolated way, but in a different way. Exactly this could and exactly that must be the great part of HRM *for* Europe!

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