Institutional approaches to examining the influence of context on HRM

To be published in C. Brewster and E, Parry (eds) (forthcoming), Handbook of Contextual Human Resource Management, Oxford: Oxford University Press.

Matthew M. C. Allen

Geoffrey Wood

Introduction

Key institutions, including corporate-governance regulations and employment law, govern the constitution of individual and collective actors, such as employees, managers, firms, and unions, and help to shape actors' interests, potential powers, capacities for action, and, hence, their behaviour (G. Jackson, 2010; Kristensen & Morgan, 2018; Streeck, 1997b; Whitley, 1987). Institutions do not, however, determine outcomes, creating the possibility for actors, such as managers and employees, to influence outcomes (Kristensen & Morgan, 2012). Hence, institutions mould how firms respond to competitive pressures and the increasing internationalisation of some product, financial and labour markets. These responses, in turn, have implications for societal and individual outcomes, such as inequality, career prospects, work design, wealth, and health (Allen & Allen, 2015; Judge, Fainshmidt, & Lee Brown III, 2014; Wood & Wright, 2015). One mechanism through which institutions shape these societal and individual outcomes is human resource management (HRM) (Busemeyer, 2009; Hall & Soskice, 2001).

Following Jackson & Schuler (1995) we define 'HRM' broadly so that it can cover: 1) a range of specific activities, including recruitment, selection, training and appraisal practices; 2) formal HRM policies that govern HRM practices; and 3) the principles that underpin the organization's policies and practices and that can, for instance, inform decisions about redundancies, the outsourcing and/ or off-shoring of activities that were or could be performed ‘in house’ by employees, and the influence that employees or their representatives have on important company or workplace decisions. Obviously, in actual firms, practices, policies and principles may not align well, and there may be substantial variation in particular aspects of HRM across different groups of employees within the same organization either by ‘design’ (depending on what the company is seeking to achieve with different workers) or by ‘accident’ (depending on how different managers interpret HRM) (Boxall, Purcell, & Wright, 2007). In addition, multinational companies may adopt different HRM in different territories for strategic and/ or regulatory reasons (Allen, Allen, & Lange, 2018).

According to the Oxford English Dictionary, the word ‘context’ derives from the Latin *contexĕre*, which means ‘to weave together, connect’. To us, this suggests an interesting ambiguity when applied to HRM: is HRM separate from its institutional context or is it constituted by the institutional context? More formally, are context and HRM conceptually and ontologically separate or are they conceptually separate, but ontologically connected?

This chapter reviews three related, but distinctive institutional approaches to HRM policies within organisations that view institutions and organisations and their HRM policies as conceptually separate, but ontologically connected. In other words, these approaches do not view the context as something that is distinct from organisations and their HRM, as some research does (Campbell, 2004); rather context and HRM are intertwined, meaning that institutions play a key role in constituting what HRM *is* in different contexts. We review work on HRM within 1) the ‘varieties’ approaches of the Varieties of Capitalism and business systems framework (Hall & Soskice, 2001; Whitley, 1999), 2) historical institutionalism (Hall & Taylor, 1996; Streeck & Thelen, 2005), and 3) the regulationist framework (Amable, 2003; Hollingsworth & Boyer, 1997). We highlight the similarities amongst, and differences between, these three perspectives. We acknowledge that the studies we review do not always fit neatly into one of these three categories. These categories do, however, help us to highlight how their similarities and differences in terms of assumptions and key concerns characterise the analytical focus and key explanatory variables of HRM studies.

In the next section we set out in more detail how key institutions constitute organisations. All three approaches take organisational heterogeneity seriously and seek to illustrate how institutions enable or constrain particular HRM approaches; institutions, therefore, fundamentally affect organisations' *raison d'être*, priorities, and capabilities (G. Jackson & Deeg, 2008; Whitley, 2007). If research does not treat institutions in this way, but views them instead as discreet and wholly separate from firms, a threefold danger arises. First, companies will be assumed to be, more or less, the same (Whitley, 1987, 2010b), leading to results that are very general and that overlook important variation amongst firms both within and between national economies (Brewster, Brookes, Johnson, & Wood, 2014; Hall & Soskice, 2001; Lane & Wood, 2009). Second and importantly, if research ignores the institutional constitution of firms, it runs the risk of ignoring the main strategic objectives, such as satisfying shareholder demands or political requirements, that organisations are trying to meet with their HRM practices (Cooke, Veen, & Wood, 2016; Goyer, Clark, & Bhankaraully, 2016; Hall & Soskice, 2001; Whitley, 2007), leading to de-contextualised findings that, potentially, have little relevance for many other organisations. Finally, it can lead to an assumption that organisations can pursue any HRM approach within all institutional settings (M. Dobbins & Busemeyer, 2015; T. Dobbins & Dundon, 2015; Goyer et al., 2016; Morgan & Kristensen, 2014; Whitley, 1987), downplaying the role that institutions play in enabling or constraining particular forms of HRM (Boxall et al., 2007; Wilkinson, Dundon, Donaghey, & Townsend, 2014).

The third section provides details about the assumptions and characteristics of the three institutional approaches to HRM that we review here; it also reviews some important empirical analyses within each approach. The final section summarizes the key contributions that institutional approaches to HRM have made and how future studies could examine the institutional specificity of firms to explain HRM and organisational outcomes to even greater effect.

Institutions and Organisations

We focus here largely on national institutions as these often play a key role in shaping HRM practices in organisations (Hall & Soskice, 2001; Whitley, 2007); however, regional and sectoral institutions can also be important (Allen, 2013; Ebner, 2016). For instance, labour-market practices in northern Italy differ from those in southern Italy (Colombo & Regini, 2016). Similarly, institutions can vary between different industries as well as between the public and private sectors within an economy (Allen, Liu, Allen, & Saqib, 2017; Ebner, 2016; Schröder & Voelzkow, 2016). These variations can have important HRM implications within organisations and the performance of those organisations as well as the industries that they constitute (Casper & Whitley, 2004; Streeck, 1997a).

Even if practicalities limit the possibility for empirical studies to examine how key institutions constitute firms, all three of the approaches that we review here share, to varying degrees, an assumption that institutions lead to significant differences between companies in terms of their identities, interests and capabilities (Boyer, 2005; Morgan, 2016; Thelen, 2014;

Whitley, 2007; cf. Streeck, 2014a). For instance, corporate governance institutions, which differ between countries, influence whether employee representatives can or need to be on company boards, shaping the decisions that boards are likely to take (Goyer, 2011; Whitley, 1999). These differences, in turn, shape how firms manage their employees (T. Dobbins & Dundon, 2015; Harcourt & Wood, 2007). Indeed, institutions, such as employment regulations, also affect who counts as an 'employee' or 'worker' and who does not; such distinctions can in the UK, for instance, have important implications for the rights of individuals with 'employees' and 'workers' having more legal rights, such as paid holidays and pension contributions, than do the 'self-employed', who can, potentially, include delivery drivers and sub-contracted plumbers (Grimshaw, Johnson, Keizer, & Rubery, 2017).

Although important institutions constitute organisations and other actors, they do not determine outcomes, meaning that the 'presence' of an institution does not always result in a specific outcome (G. Jackson & Deeg, 2008). In other words, whilst stressing the importance of institutions in shaping HRM, we do not deny some role for 'agency' within organisations. Actors, such as managers and employees both individually and collectively, are not 'over socialized', so their behaviour is not totally prescribed by institutions (Morgan & Kristensen, 2014). The reasons for this are twofold. First, institutions must be 'enacted', meaning that actors must make decisions and implement them in order to produce and 'reproduce' institutions (G. Jackson, 2010; Kristensen & Morgan, 2012). In corporate governance, for instance, institutional investors, who typically have a short-term perspective (Whitley, 1999; Witt & Jackson, 2016), should, in general, prioritise more immediate financial outcomes and undertake activities that convey their priorities to senior managers in the firms that they have invested in to reproduce this institution. Of course, not all actors or individual institutional investors will behave identically, as they will, for instance, have different ideas about what will generate better financial returns, depending on their training and perspective (G. Jackson & Deeg, 2008).

Second, actors do not operate in situations that they can fully control (G. Jackson, 2010), meaning that actors' abilities to pursue and attain their objectives will depend on other factors. At times, these broader situational factors are likely to facilitate actors' ability to make decisions and take actions that enable them to meet their objectives; at others, the context will inhibit or prevent their capacities for certain actions (Bhankaraully, n.d.; Morgan & Kristensen, 2014). Consequently, institutions are likely to be associated with 'patterns' of HRM practices rather than close associations with those practices, meaning that the links between a particular institution and a specific set of HRM practices, policies or principles is likely to be a *tendency* rather than a 'law-like' relationship (M. Dobbins & Busemeyer, 2015; Hall & Soskice, 2001; Johnstone & Wilkinson, 2017; Whitley, 2007). Institutions are *likely* to be associated with certain outcomes; they will not *determine* outcomes. This has important implications for how research should be designed and the types of analytical techniques that are most appropriate, meaning that analyses of particular companies or sectors and their institutional specificities at certain periods of times using case studies or statistical techniques that can capture that complexity as well as necessary and sufficient conditions are required (Allen, 2013; Baccaro & Howell, 2011; Brewster et al., 2014; Goyer et al., 2016; Kinderman, 2005; Lange, Geppert, Saka-Helmhout, & Becker-Ritterspach, 2015).

Three Institutional Approaches: Assumptions, Characteristics and Empirical Results

This section discusses the assumptions and characteristics of the three institutional approaches to HRM that we review; we illustrate our arguments by referring to some important empirical analyses within each approach. Some of the empirical studies that we include here have not explicitly adopted, necessarily, the approach that we have assigned them to; however, we think that their underlying assumptions and analytical focus warrant their inclusion under one of our three categories. Table 1 sets out the key similarities and differences between these approaches.

Table 1 about here

The 'Varieties of Capitalism' Approach

Although the Varieties of Capitalism and the business systems framework differ in many respects, we treat them as one category because of their similarities. Both of these frameworks highlight how institutional differences between countries, such as the corporate-governance regimes and labour-market systems, influence the types of firms that become dominant in different national economies (Hall, 2015; Hall & Soskice, 2001; Whitley, 2010b). This 'institutional structuring' of firms has implications for their strategic priorities and their organisational capabilities (Hall & Soskice, 2001; Whitley, 2007). Consequently, the varieties approach examines how institutions constrain or enable organisations to solve particular co-ordination problems, such as the recruitment and retention of employees with particular characteristics, that often involve employees and HRM (Hall & Soskice, 2001; Whitley, 1999, 2007). At a broader level, firms' abilities to surmount particular types of co-ordination problem influence how well they can pursue specific strategic objectives and competition strategies (Hall, 2015; Whitley, 2010a).

A corollary of the emphasis on how institutions can help firms to develop their competitive competencies was an assumption of stability within institutional regimes (Hall & Soskice, 2001; Streeck, 2012; Whitley, 1999). If there was change, then that change was likely to come from developments ‘outside’ the institutional system (Hall & Soskice, 2001, pp.56–60; Whitley, 2010). For instance, the spread of capitalism to Central and Eastern Europe opened up the possibility for some European firms to move or outsource some of their activities to the region that offered skilled, and relatively cheap, labour, putting pressure, potentially, on existing home-country employees. Similarly, advances in computing and telecommunications have enabled some companies to move certain activities to locations with low-cost workers (Lane, 2005). More recently, however, the varieties approach has recognised the potential for change to come from ‘within’ national institutional systems (Morgan, 2007, p. 133, 2016), opening up the possibility of analysing how collective actors, such as firms and unions, engage in debates and contests to change, ‘remove’ or create institutions.

Research has revealed variation in HRM within national economies. For instance, work has found that employees’ direct involvement in shaping company decisions and workplace practices that can form the foundation of a partnership approach between employers and employees varies across Europe. Firms in countries that have stronger rights for unions and employee representatives are more likely to include employees and their representatives in decisions than are companies in countries with weaker rights for unions and employee representatives. In the latter group of companies, more ‘instrumental’ forms of partnership, which act as mechanisms to convey managers’ HRM decisions to lower level employees are more likely to exist (Brewster et al., 2014; Wilkinson et al., 2014). Such research has revealed that more extensive partnership approaches were not confined to ‘co-ordinated business systems’, in which unions play a greater role and employment protection tends to be greater (Whitley, 1999); similarly, instrumental approaches were not solely found in ‘compartmentalised business systems’, in which the ‘market’ is the main mode of economic co-ordination (Brewster et al., 2014; Johnstone & Wilkinson, 2017; Walker, Brewster, & Wood, 2014; Whitley, 1999).

Such research revealed that organisational types, sectors and competition strategies also played a role in shaping the form that partnership took within particular companies (Brewster et al., 2014; Walker, Wood, Brewster, & Beleska-Spasova, 2018). Related work has revealed that, although quits, both voluntary and involuntary, are more common in compartmentalised business systems than they are in co-ordinated ones, there is much diversity within national economies (Croucher, Wood, Brewster, & Brookes, 2012). Highlighting the importance of analysing firms' strategies (what they are trying to achieve and how they are trying to achieve it) as well as their institutional constitution and the interactions between the two to explain HRM in firms, this work collectively, therefore, reinforces the need to take firm heterogeneity within any institutional system into account when assessing the links between institutions and outcomes, including HRM.

Corporate-governance regimes shape important HRM outcomes, such as the provision of training for workers. In countries with corporate-governance institutions that restrict collective and/ or individual redundancies, firms have more of an incentive to invest in training that develops employees' firm-specific knowledge and skills compared to countries with corporate-governance systems that have fewer restrictions on lay-offs (Goergen, Brewster, & Wood, 2009). In more general terms, labour-market institutions that facilitate the use of temporary or agency workers as well as workers on 'zero hour contracts' have a detrimental effect on employees' commitment and skill development, and, as a result, productivity (Rubery, Keizer, & Grimshaw, 2016).

Institutions, such as those governing the use of temporary workers, often differ between the public and private sectors. Evidence has revealed that such differences along with broader institutional systems can account for variation in the use of temporary agency workers in different workplaces. For example, although private-sector workplaces in Europe are more likely, in general, to use temporary agency workers than their public-sector counterparts, this conceals much important variation between countries. In those countries, such as the UK, that have relatively weak worker rights, public-sector workplaces are more likely to use temporary workers than their private-sectors counterparts; by contrast, in other countries, such as Germany, that have greater rights for workers, private-sector workplaces are more likely than their public-sector counterparts to use temporary workers (Allen et al., 2017). The influence of institutions also extends beyond the boundary of the legal firm, influencing the prevalence of ‘precarious work’ in supply chains as research on public supply chains has revealed (Jaehrling, Johnson, Larsen, Refslund, & Grimshaw, 2018).

Studies have revealed how contrasting institutional configurations can be associated with similar outcomes. For example, in France, companies are likely to lay-off workers when three necessary conditions are met. These conditions are: dispersed firm ownership, owners and controllers who prioritise short-term financial results over the firm’s long-term development, and relatively high debt leverage. By contrast, for companies in the UK, there is only one necessary condition for redundancies, which is that the firm is owned and controlled by a dispersed group of investors; relatively high levels of company debt are, importantly, not necessary for downsizing to occur (Goyer et al., 2016). Similarly, downsizing and wage moderation in Germany are likely to occur when they have high levels of debt and are owned and controlled by investors who privilege shareholder value (Bhankaraully, n.d.).

Historical Institutionalism

Historical institutionalism shares with the other two approaches reviewed here an emphasis on how institutions constitute actors. Unlike the varieties approach, historical institutionalism focuses more on macro-level processes and outcomes, meaning that it does not tend to look at HRM within particular firms, but analyses how HRM-related processes occur at the societal (macro) or industry (meso) level. The reason for this is that the approach typically tries to explain levels of social inequality and social exclusion rather than firm competitiveness, often leading to a focus on socio-economic and socio-political issues rather than business and management ones (Crouch, 2012, 2013; Emmenegger & Marx, 2011; Hassel, 2014; Hassel & Trampusch, 2006; Streeck, 2014 cf. Rogers & Streeck, 1995; Streeck, 1997b, 1997a).

The focus of this approach may suggest that it does not have any implications for HRM; that, however, would be incorrect. By focusing on issues related, for example, to employee representation and collective wage bargaining at the national level, historical institutionalism has implications not just for levels of inequality within society, but also for typical employment policies and HRM within firms (Streeck, 1997a, 1997b). Although analyses can cover individual firms or sectors, the aim is often to explain national level outcomes (Crouch, 2012; Emmenegger & Marx, 2011; Kinderman, 2017).

Historical institutionalism's emphasis on societal outcomes makes it more overtly political than the varieties approach; consequently, it has a longer tradition of focusing on potential conflicts of interest between different societal groups, such as employers, on the one hand, and employees and their representatives, on the other. As a result, historical institutionalism has focused on institutional change and the dynamism of capitalism itself for longer than the varieties approach has (Hassel, 1999; Regini, 2003; Streeck, 2008). Fundamental to historical institutionalism, therefore, is the argument that institutions tend to be established in specific situations and, as economies and societies change, institutions are likely to change to reflect those developments (Benassi, Doellgast, & Sarmiento-Mirwaldt, 2016; Streeck, 2012). In particular, the dynamism of capitalism and capitalist firms to push, in many instances, for greater marketization of social life is likely to lead to the erosion of institutions that seek to reduce the potentially detrimental impact of capitalism on individuals and the institutions that protect individuals, such as employees, from market vicissitudes (Crouch, 2013; Greer & Doellgast, n.d.; Streeck, 2014; cf. Etienne & Schnyder, 2014).

Much of the research within historical institutionalism analyses collective wage bargaining, which typically focuses on the pay as well as the working conditions of those employees covered by the agreement. Such bargaining has implications for organisations' HRM. For instance, research has revealed how, within the automotive industry, manufacturers use the threat of re-locating production to another factory within Europe to gain concessions from employees and their representatives, in a process known as 'whipsawing'; this process leads to a weakening of institutions that protect workers from reductions in their wages and/ or working conditions (Greer & Hauptmeier, 2016)

Other research that focuses on more macro-level trends has revealed how the liberalisation of markets, which intensifies price-based competition, often leads managers 1) to exit collective actors, such as employers' associations, rather than voice their recommendations for improvement through them, and 2) to focus their firms on non-productive rather than productive activities where, frequently, financial returns are higher and public scrutiny less (Greer & Doellgast, n.d.). Similarly, studies of employer preferences within Germany and Sweden in the 1990s and 2000s have, contrary to the expectations of the varieties approach, found a desire to liberalise employment regulations and welfare policies (Baccaro & Howell, 2011; Kinderman, 2017). Such preferences suggest that, far from up-holding labour-market institutions, such as collective wage bargaining, employee workplace representation and employment protection, many employers will seek to weaken these, which will have implications for HRM within companies (Baccaro & Howell, 2017; Kinderman, 2017). Improvements in Germany's economic performance have scotched these claims, but not 'killed' them (Kinderman, 2017); indeed, historical institutionalists highlight that many policy makers remain wedded to neo-liberalism, irrespective of the financial crisis (Crouch, 2013).

In the area of skills formation systems, which influence access to jobs and career progression, the contests over the appropriate policies seem less fundamental once the systems has become established. For instance, research on these systems in Denmark and Sweden has found that, once a critical juncture has been passed and systems are in place, actors accommodate their strategies and preferences to reflect the new institutional setting (M. Dobbins & Busemeyer, 2015).

A study of industrial-relations systems in 15 West European countries found that, despite superficial resilience, all have experienced greater marketization, leading to a weakening of collective-wage bargaining and, as a result, greater inequality and less re-distribution (Baccaro & Howell, 2011). Moves to export-led growth rather than domestic, consumption-led growth have in some countries, such as Germany, resulted in greater marketization of labour-market institutions, leading to wage stagnation for many workers (Baccaro & Benassi, 2017). Other research suggests that the reasons for the undermining of Germany's collective bargaining system lies within broader developments within capitalism, such as the relatively common vertical disintegration of major employers: as employers outsource work to smaller suppliers or temporary agencies, frequently not covered by collective bargaining, the agreement on wages and working conditions that unions and employers' representatives negotiate applies to a lower percentage of employees (Doellgast & Greer, 2007).

Other historical-institutionalist research seeks to explain why collective bargaining institutions in the telecommunications industry are strong in some European countries, but not in others. It argues that 1) institutional loopholes in some countries enabled employers to avoid collective bargaining, and 2) the lack of inter-union co-operation accounts for the variable strength of these institution in different countries (Benassi et al., 2016).

The Regulationist Approach

We define the regulation framework in a broad way so that it covers not just those who explicitly use the term to identify their own work, but also others who adopt related, but, in some ways, distinct approaches and who use different labels, such as 'variegated capitalism' (Boyer, 1990; Jessop, 2012). The regulation framework is closer to historical institutionalism than it is to the varieties approach. The regulation framework adopts a comprehensive view of capitalist systems to examine how 1) the social and technical division of labour, 2) the influences on individuals' behaviour, and 3) typical patterns of consumption and production are all interlinked and shape economic growth and development (Boyer, 2005, 2011; Jessop, 2014). Therefore, in common with some historical institutionalists it focuses on consumption and production rather than just production as the varieties approach largely does (Baccaro & Benassi, 2017; Hall & Soskice, 2001; Streeck, 1997b; Whitley, 2007; cf. Hope & Soskice, 2016).

In addition, unlike the varieties approach, but in common with historical institutionalism, the regulation approach has long emphasized the inherently unstable nature of capitalism (Boyer, 2010), drawing attention to the systemic and periodic crises that affect all forms of capitalism and that institutions can only temporarily 'fix' (Amable, 2016; Boyer, 2011; Jessop, 2014). As a result, the regulation approach was able to more rapidly and easily address issues relating to financialization than the varieties framework could (Boyer, 2000; Jessop, 2013). Financialization has implications for HRM, such as pay rates and lay-offs (Boyer, 2000, 2013b).

Furthermore, the regulation approach focuses on analysing the typical working conditions and consumption patterns of workers, often considered in nationally aggregated terms rather than as either individual workers or groups of workers in particular sectors of the economy. For instance, the approach initially sought to explain the conditions that supported a stable Fordist mode of production and consumption for many years, but then declined. Under the Fordist modes of production and consumption, workers typically performed a narrow range of standardised jobs to produce a limit range of products. This system helped to increase productivity, resulting in a virtuous circle of cheaper products and potentially higher wages, which enabled more consumption, production and employment. Eventually, however, this virtuous circle came to an end (Boyer, 2013b).

In more recent research, the regulation approach has focused on the causes of the current crisis, which is characterised by rising incoming and wealth inequality, precarious employment, and unsustainable growth models, as well as potential institutional remedies to these problems (Amable, Guillaud, & Palombarini, 2012; Becker & Jäger, 2012; Boyer, 2011; Jessop, 2014). There has also been an increased focus on the problems of financialization (Boyer, 2000, 2006, 2013a). Pessimism about the ability of capitalism to resolve the causes of these deleterious outcomes pervades much of this work (Boyer, 2010; Jessop, 2001; Vidal, 2013b, 2013a).

Empirical work that draws either implicitly or explicitly on the regulation approach frequently analyses the nature of work and those work processes that are becoming more prominent in developed economies. This analytical focus ties the empirical work back to the regulation approach's analysis of the typical patterns of production which has implications for HRM as well as consumption. For instance, research that examines labour processes in the USA has revealed that over one third of jobs there have low autonomy (Vidal, 2013a). Relatedly, comparative research that covers jobs in Germany, the UK and the USA reveals that job quality is declining, in general, in all three countries, although there are important distinctions between them (Vidal, 2013b).

Other work in this tradition has revealed how, in the USA, the nature of the relationship between employees who 'invent' new products has changed as a result of institutional changes, especially those in the area of intellectual property rights, that grant companies ownership of inventions created by workers who are 'employed to invent' and a non-transferable licence where a worker has not explicitly been employed to invent (Coriat & Weinstein, 2012). These changes have enhanced the power of companies to use inventions as they would like at the expense of individual employees who no longer have complete control over their intellectual property.

Similarly, other work has highlighted how labour power in the Fordist 'golden era' between around 1945 and 1971 was at an unprecedented – and probably never-to-be-repeated – high

(Boyer, 2010). There are several reasons for this. They include internationalisation, which has often made workers' pay contingent on the performance of the firm on international rather than domestic markets, and financialization, which has led to a separation between senior managers and workers within organisations, resulting in downward pressures on employment and working conditions when firm financial performance is weak (Boyer, 2010). Other reasons include the stratification of workers and the 'split identities' of workers as wage earners, consumers, pension-fund holders, property investors and tax payers (Boyer, 2010).

Conclusion

Institutional approaches to examining the influence of context on HRM have made a number of key contributions to the literature. First, the approaches reveal the importance of examining the institutional construction of firms as this will affect their strategic priorities and the types of HRM that they are likely to be able to adopt. If institutions are treated as external to the firm, companies are treated as the same, leading to an assumption that all firms seek to maximise shareholder value. For firms that are owned and/ or controlled by the state, sovereign wealth funds, foundations, and families, this may not be true (Allen et al., 2018; Goergen, O'Sullivan, Wood, & Baric, 2018; Keizer, 2016; Kristensen & Morgan, 2018). Key institutions, such as corporate governance regulations and the financial system, will condition the types of company that are likely to emerge and survive in different jurisdictions and influence how managers treat different groups of employees as well as the boundary of the firm (Whitley, 1987, 1999).

Second, institutional approaches have highlighted the dynamism of capitalism and capitalistic firms (Boyer, 2011; Morgan, 2016; Streeck, 2014), leading to an emphasis on change both within institutions and organisations. This has implications for HRM, suggesting that studies of HRM should address how and why HRM changes within organisations. For instance, increasing competitive pressures may or may not result in certain forms of HRM no longer being viable in some locations (Etienne & Schnyder, 2014).

There are also areas in which institutional approaches could have a greater impact on the study of HRM. For instance, institutional approaches have increasingly highlighted the potential incompatibility or 'non-compossibility' of different types of capitalism and, hence, the typical forms of HRM associated with those different types of capitalism. In other words, a capitalist system that ensures high wages and levels of employment protection for all workers may be difficult to sustain in an economy that is increasingly open to foreign competition, overseas investors and new technologies. This suggests that studies of HRM should increasingly seek to explain and examine HRM in organisations within their national and international settings (Allen et al., 2018; Jaehrling, 2018; Jaehrling et al., 2018; Rubery et al., 2016), as national and international institutional factors will influence the types of HRM that firms adopt and their ability to achieve different objectives in contrasting locations.

References

Allen, M. M. C. (2013). Comparative capitalisms and the institutional embeddedness of innovative capabilities. *Socio-Economic Review*, *11*(4), 771–794. https://doi.org/10.1093/ser/mwt018

Allen, M. M. C., & Allen, M. L. (2015). Companies' access to finance, co-operative industrial relations, and economic growth: A comparative analysis of the states of south eastern Europe. *Research in International Business and Finance*, *33*(1), 167–177. https://doi.org/10.1016/j.ribaf.2014.09.006

Allen, M. M. C., Allen, M. L., & Lange, K. (2018). Institutions and the diversity and prevalence of multinationals' knowledge-augmenting subsidiaries. *British Journal of Management*, *29*(3), 483–496. https://doi.org/10.1111/1467-8551.12242

Allen, M. M. C., Liu, J., Allen, M. L., & Saqib, S. I. (2017). Establishments' use of temporary agency workers: the influence of institutions and establishments' employment strategies. *The International Journal of Human Resource Management*, *28*(18), 2570–2593. https://doi.org/10.1080/09585192.2016.1172655

Amable, B. (2003). *The Diversity of Modern Capitalism*. Oxford: Oxford University Press.

Amable, B. (2016). Institutional complementarities in the dynamic comparative analysis of capitalism. *Journal of Institutional Economics*, *12*(1), 79–103. https://doi.org/10.1017/S1744137415000211

Amable, B., Guillaud, E., & Palombarini, S. (2012). Changing French capitalism: political and systemic crises in France. *Journal of European Public Policy*, *19*(8), 1168–1187. https://doi.org/10.1080/13501763.2012.709011

Baccaro, L., & Benassi, C. (2017). Throwing out the ballast: growth models and the liberalization of German industrial relations. *Socio-Economic Review*, *15*(1), 85–115. https://doi.org/10.1093/ser/mww036

Baccaro, L., & Howell, C. (2011). A common neoliberal trajectory: The transformation of industrial relations in advanced capitalism. *Politics and Society*, *39*(4), 521–563. https://doi.org/10.1177/0032329211420082

Baccaro, L., & Howell, C. (2017). *European Industrial Relations since the 1970s: Trajectories of Neoliberal Transformation*. Cambridge: Cambridge University Press.

Becker, J., & Jäger, J. (2012). Integration in crisis: A regulationist perspective on the interaction of European varieties of capitalism. *Competition and Change*, *16*(3), 169–187. https://doi.org/10.1179/10245294

Benassi, C., Doellgast, V., & Sarmiento-Mirwaldt, K. (2016). Institutions and inequality in liberalizing markets: Explaining different trajectories of institutional change in social Europe. *Politics & Society*, *44*(1), 117–142. https://doi.org/10.1177/0032329215617466

Bhankaraully, S. (n.d.). Contested firm governance, institutions and the undertaking of corporate restructuring practices in Germany. *Economic and Industrial Democracy*. https://doi.org/10.1177/0143831X17748754

Boxall, P., Purcell, J., & Wright, P. (2007). Human resource management scope, analysis, and significance. In P. Boxall, J. Purcell, & P. Wright (Eds.), *The Oxford Handbook of Human Resource Management* (pp. 1–18). Oxford: Oxford University Press.

Boyer, R. (1990). *The Regulation School: A Critical Introduction*. New York: Columbia University Press.

Boyer, R. (2000). Is a finance-led growth regime a viable alternative to Fordism? A preliminary analysis. *Economy and Society*, *29*(1), 111–145. https://doi.org/10.1080/030851400360587

Boyer, R. (2005). How and why capitalisms differ. *Economy and Society*, *34*(4), 509–557. https://doi.org/10.1080/03085140500277070

Boyer, R. (2006). What future for codetermination and corporate governance in Germany? In J. Beckert, B. Ebbinghaus, A. Hassel, & P. Manow (Eds.), *Transformation des Kapitalismus* (pp. 135–157). Cologne: Campus Verlag.

Boyer, R. (2010). The collapse of finance but labour remains weak. *Socio-Economic Review*, *8*, 348–353. https://doi.org/10.1093/ser/mwq001

Boyer, R. (2011). Are there laws of motion of capitalism? *Socio-Economic Review*, *9*(1), 59–81. https://doi.org/10.1093/ser/mwq026

Boyer, R. (2013a). The euro crisis: Undetected by conventional economics, favoured by nationally focused polity. *Cambridge Journal of Economics*, *37*(3), 533–569. https://doi.org/10.1093/cje/bet013

Boyer, R. (2013b). The global financial crisis in historical perspective: An economic analysis combining Minsky, Hayek, Fisher, Keynes and the Regulation Approach. *Accounting, Economics and Law*, *3*(3), 93–139. https://doi.org/10.1515/ael-2013-0030

Brewster, C., Brookes, M., Johnson, P., & Wood, G. (2014). Direct involvement, partnership and setting: A study in bounded diversity. *The International Journal of Human Resource Management*, *25*(6), 795–809. https://doi.org/10.1080/09585192.2013.776615

Brewster, C., Wood, G., & Goergen, M. (2015). Institutions, unionization and voice: The relative impact of context and actors on firm level practice. *Economic and Industrial Democracy*, *36*(2), 195–214. https://doi.org/10.1177/0143831X13501004

Busemeyer, M. R. (2009). Asset specificity, institutional complementarities and the variety of skill regimes in coordinated market economies. *Socio-Economic Review*, *7*(3), 375–406. https://doi.org/10.1093/ser/mwp009

Campbell, J. L. (2004). *Institutional Change and Globalization*. *Princeton University Press*. Princeton: Princeton University Press. https://doi.org/10.1016/S0074-6142(05)80002-6

Casper, S., & Whitley, R. (2004). Managing competences in entrepreneurial technology firms: A comparative institutional analysis of Germany, Sweden and the UK. *Research Policy*, *33*(1), 89–106. https://doi.org/10.1016/S0048-7333(03)00100-8

Colombo, S., & Regini, M. (2016). Territorial differences in the Italian 'social model.' *Regional Studies*, *50*(1), 20–34. https://doi.org/10.1080/00343404.2013.879641

Cooke, F. L., Veen, A., & Wood, G. (2016). What do we know about cross-country comparative studies in HRM? A critical review of literature in the period of 2000-2014. *The International Journal of Human Resource Management*, *5192*(December), 1–38. https://doi.org/10.1080/09585192.2016.1245671

Coriat, B., & Weinstein, O. (2012). Patent Regimes and the Commodification of knowlodge. *Socio-Economic Review*, *10*(2), 267–292.

Crouch, C. (2012). Employment, Consumption, Debt, and European Industrial Relations Systems. *Industrial Relations*, *51*(SUPPL. 1), 389–412. https://doi.org/10.1111/j.1468-232X.2012.00684.x

Crouch, C. (2013). *Making capitalism fit for society*. Cambridge: Polity Press.

Croucher, R., Wood, G., Brewster, C., & Brookes, M. (2012). Employee turnover, HRM and institutional contexts. *Economic and Industrial Democracy*, *33*(4), 605–620. https://doi.org/10.1177/0143831X11424768

Dobbins, M., & Busemeyer, M. R. (2015). Socio-economic institutions, organized interests and partisan politics: The development of vocational education in Denmark and Sweden. *Socio-Economic Review*, *13*(2), 259–284. https://doi.org/10.1093/ser/mwu002

Dobbins, T., & Dundon, T. (2015). The chimera of sustainable labour–management partnership. *British Journal of Management*, *28*(3), 519–533. https://doi.org/10.1111/1467-8551.12128

Doellgast, V., & Greer, I. (2007). Vertical disintegration and the disorganization of German Industrial Relations. *British Journal of Industrial Relations*, *45*(1), 55–76. https://doi.org/10.1111/j.1467-8543.2007.00602.x

Ebner, A. (2016). Exploring regional varieties of capitalism. *Regional Studies*, *50*(1), 3–6. https://doi.org/10.1080/00343404.2015.1039227

Emmenegger, P., & Marx, P. (2011). Business and the development of job security regulations: The case of Germany. *Socio-Economic Review*, *9*(4), 729–756. https://doi.org/10.1093/ser/mwr013

Etienne, J., & Schnyder, G. (2014). Logics of action and models of capitalism: Explaining bottom-up non-liberal change. *Swiss Political Science Review*, *20*(3), 365–387. https://doi.org/10.1111/spsr.12082

Goergen, M., Brewster, C., & Wood, G. (2009). Corporate governance and training. *Journal* *of Industrial Relations*, *51*(4), 459–487. https://doi.org/10.1177/0022185609339513

Goergen, M., O'Sullivan, N., Wood, G., & Baric, M. (2018). Sovereign wealth funds, productivity and people: The impact of Norwegian Government Pension Fund-Global investments in the United Kingdom. *Human Resource Management Journal*, *28*(2), 288–303. https://doi.org/10.1111/1748-8583.12179

Goyer, M. (2011). *Contingent capital: Short-term investors and the evolution of corporate governance in France and Germany*. Oxford, UK: Oxford University Press.

Goyer, M., Clark, I., & Bhankaraully, S. (2016). Necessary and sufficient factors in employee downsizing? A qualitative comparative analysis of lay-offs in France and the UK, 2008-2013. *Human Resource Management Journal*, *26*(3), 252–268. https://doi.org/10.1111/1748-8583.12101

Greer, I., & Doellgast, V. (n.d.). Marketization, inequality, and institutional change: Toward a new framework for comparative employment relations. *Journal of Industrial Relations*. https://doi.org/10.1177/0022185616673685

Greer, I., & Hauptmeier, M. (2016). Management whipsawing: The staging of labor competition under globalization. *Industrial and Labor Relations Review*, *69*(1), 29–52. https://doi.org/10.1177/0019793915602254

Grimshaw, D., Johnson, M., Keizer, A., & Rubery, I. (2017). The governance of employment protection in the UK: how the state and employers are undermining decent standards. In A. Piasna & M. Myant (Eds.), *Myths of employment deregulation : how it neither creates jobs nor reduces labour market segmentation* (pp. 225–245). Brussels: etui.

Hall, P. A. (2015). Varieties of Capitalism. In R. Scott & S. Kosslyn (Eds.), *Emerging Trends in the Social and Behaviror Science* (pp. 1–15). John Wiley and Sons.

Hall, P. A., & Soskice, D. (2001). An introduction to varieties of capitalism. In P. A. Hall & D. Soskice (Eds.), *Varieties of Capitalism: The Institutional Foundations of*

Comparative Advantage (pp. 1–56). Oxford: Oxford University Press. https://doi.org/10.1093/0199247757.001.0001

Hall, P. A., & Taylor, R. C. R. (1996). Political science and the three new institutionalisms. *Political Studies*, *44*(5), 936–957. https://doi.org/10.1111/j.1467-9248.1996.tb00343.x

Harcourt, M., & Wood, G. (2007). The importance of employment protection for skill development in coordinated market economies. *European Journal of Industrial Relations*, *13*(2), 141–159. https://doi.org/10.1177/0959680107078247

Hassel, A. (1999). The erosion of the German system of industrial relations. *British Journal of Industrial Relations*, *37*(3), 483–505. https://doi.org/10.1111/1467-8543.00138

Hassel, A. (2014). The paradox of liberalization - understanding dualism and the recovery of the German political economy. *British Journal of Industrial Relations*, *52*(1), 57–81. https://doi.org/10.1111/j.1467-8543.2012.00913.x

Hassel, A., & Trampusch, C. (2006). Verbände und Parteien: Die Dynamik von Parteikonflikten und die Erosion des Korporatismus. In J. Beckert, B. Ebbinghaus, A. Hassel, & P. Manow (Eds.), *Transformationen des Kapitalismus* (pp. 111–132). Cologne: Campus Verlag.

Hollingsworth, J. R., & Boyer, R. (1997). Coordination of economic actors and social systems of production. In *Contemporary Capitalism: The Embeddedness of Institutions* (pp. 1–47). Cambridge: Cambridge University Press.

Hope, D., & Soskice, D. (2016). Growth Models, Varieties of Capitalism, and Macroeconomics. *Politics & Society*, *44*(2), 209–226. https://doi.org/10.1177/0032329216638054

Jackson, G. (2010). Actors and institutions. In G. Morgan, J. L. Campbell, C. Crouch, O. K. Pedersen, P. H. Kristensen, & R. Whitley (Eds.), *Oxford Handbook of Comparative Institutional Analysis* (pp. 41–62). Oxford: Oxford University Press.

Jackson, G., & Deeg, R. (2008). Comparing capitalisms: Understanding institutional diversity and its implications for international business. *Journal of International Business Studies*, *39*(4), 540–561. https://doi.org/10.1057/palgrave.jibs.8400375

Jackson, S. E., & Schuler, R. S. (1995). Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, *46*, 237–264. https://doi.org/10.1146/annurev.ps.46.020195.001321

Jaehrling, K. (2018). Introduction: Prospects for Virtuous Circles? The institutional and economic embeddedness of companies' contemporary innovation strategies in Europe. In K. Jaehrling (Ed.), *Virtuous circles between innovations, job quality and employment in Europe? Case study evidence from the manufacturing sector, private and public service sector* (pp. 1–34). QuInnE.eu.

Jaehrling, K., Johnson, M., Larsen, T. P., Refslund, B., & Grimshaw, D. (2018). Tackling precarious work in public supply chains: A comparison of local government procurement policies in Denmark, Germany and the UK. *Work, Employment and Society*, *32*(3), 546–563. https://doi.org/10.1177/0950017018758216

Jessop, B. (2001). Capitalism, the regulation approach, and critical realism. In A. Brown, S. Fleetwood, & J. Roberts (Eds.), *Critical Realism and Marxism* (pp. 88–115). London: Routledge. https://doi.org/10.4324/9780203299227

Jessop, B. (2012). Rethinking the diversity and varieties of capitalism: on variegated capitalism in the world market. In C. Lane & G. T. Wood (Eds.), *Capitalist Diversity and Diversity within Capitalism* (pp. 209–237). Abingdon, UK: Routledge.

Jessop, B. (2013). Finance Dominated Accumulation and Post Democratic Capitalism. In S. Fadda & P. Tridico (Eds.), *Institutions and Economic Development after the Financial Crisis* (pp. 83–105). Abingdon: Routledge.

Jessop, B. (2014). Variegated Capitalism, das Modell Deutschland, and the Eurozone Crisis.

Journal of Contemporary European Studies. Taylor & Francis. https://doi.org/10.1080/14782804.2014.937410

Johnstone, S., & Wilkinson, A. (2017). The potential of labour-management partnership: A longitudinal case analysis. *British Journal of Management, 29*(3), 554–570. https://doi.org/10.1111/1467-8551.12240

Judge, W. Q., Fainshmidt, S., & Lee Brown III, J. (2014). Which model of capitalism best delivers both wealth and equality? *Journal of International Business Studies*, *45*(4), 363–386. https://doi.org/10.1057/jibs.2014.13

Keizer, A. (2016). Changes in Japanese and South Korean employment practices: Lessons on the character of institutional change and of business systems. In R. Whitley & X. Zhang (Eds.), *Changing Asian Business Systems: Globalization, Socio-political Change, and Economic Organization* (pp. 114–136).

Kinderman, D. (2005). Pressure from without, subversion from within: The two-pronged German employer offensive. *Comparative European Politics*, *3*(4), 432–463. https://doi.org/10.1057/palgrave.cep.6110064

Kinderman, D. (2017). Challenging varieties of capitalism's account of business interests: Neoliberal think-tanks, discourse as a power resource and employers' quest for liberalization in Germany and Sweden. *Socio-Economic Review, 15*(3), 587–613. https://doi.org/10.1093/ser/mww040

Kristensen, P. H., & Morgan, G. (2012). Theoretical contexts and conceptual frames for the study of twenty-first century capitalisms. In R. Whitley & G. Morgan (Eds.), *Capitalisms and capitalism in the twenty-first century* (pp. 11–43). Oxford, UK: Oxford University Press.

Kristensen, P. H., & Morgan, G. (2018). Danish foundations and cooperatives as forms of corporate governance: Origins and impacts on firm strategies and societies. In N. Boeger

& C. Villiers (Eds.), *Shaping the Corporate Landscape: Towards Corporate Reform and Enterprise Diversity* (pp. 271–288). London: Hart Publishing.

Lane, C. (2005). Institutional transformation and system change: Changes in the corporate governance of German corporations. In G. Morgan, R. Whitley, & E. Moen (Eds.), *Changing capitalisms? Internationalization, institutional change, and systems of economic organization* (pp. 78–109). Oxford, UK: Oxford University Press.

Lane, C., & Wood, G. (2009). Capitalist diversity and diversity within capitalism. *Economy and Society*, *38*(4), 531–551. https://doi.org/10.1080/03085140903190300

Lange, K., Geppert, M., Saka-Helmhout, A., & Becker-Ritterspach, F. (2015). Changing business models and employee representation in the airline industry: A comparison of British Airways and Deutsche Lufthansa. *British Journal of Management*, *26*(3), 388–407. https://doi.org/10.1111/1467-8551.12096

Morgan, G. (2007). National business systems research: Progress and prospects. *Scandinavian Journal of Management*, *23*(2), 127–145. https://doi.org/10.1016/j.scaman.2007.02.008

Morgan, G. (2016). New actors and old solidarities: Institutional change and inequality under a neo-liberal international order. *Socio-Economic Review*, *14*(1), 201–225. https://doi.org/10.1093/ser/mwv033

Morgan, G., & Kristensen, P. H. (2014). The comparative analysis of capitalism and the study of organizations. In *The Oxford Handbook of Sociology, Social Theory, and Organization Studies: Contemporary Currents* (pp. 220–245). https://doi.org/10.1093/oxfordhb/9780199671083.013.0010

Regini, M. (2003). Work and labour in global economies: The case of western Europe. *Socio-Economic Review*, *1*(2), 165–184. https://doi.org/10.1093/soceco/1.2.165

Rogers, J., & Streeck, W. (1995). The study of works councils: Concepts and problems. In J.

Rogers & W. Streeck (Eds.), *Works Councils: Consultation, Representation, and Cooperation in Industrial Relations* (pp. 3–26). Chicago: The University of Chicago Press.

Rubery, J., Keizer, A., & Grimshaw, D. (2016). Flexibility bites back: the multiple and hidden costs of flexible employment policies. *Human Resource Management Journal*, *26*(3), 235–251. https://doi.org/10.1111/1748-8583.12092

Schröder, M., & Voelzkow, H. (2016). Varieties of regulation: How to combine sectoral, regional and national levels. *Regional Studies*, *50*(1), 7–19. https://doi.org/10.1080/00343404.2014.904040

Streeck, W. (1997a). Beneficial constraints: On the economic limits of rational voluntarism. In J. R. Hollingsworth & R. Boyer (Eds.), *Contemporary Capitalism: The Embeddedness of Institutions* (pp. 197–219). Cambridge: Cambridge University Press.

Streeck, W. (1997b). German capitalism: Does it exist? Can it survive? In C. Crouch & W. Streeck (Eds.), *The Political Economy of Modern Capitalism* (pp. 33–54). London: Sage. https://doi.org/10.1080/13563469708406299

Streeck, W. (2008). Industrial relations today: Reining in flexibility, (08/3).

Streeck, W. (2012). How to study contemporary capitalism? *European Journal of Sociology*, *53*(1), 1–28. https://doi.org/10.1017/S000397561200001X

Streeck, W. (2014). Taking crisis seriously: Capitalism on its way out. *Stato e Mercato*, (1), 45–67.

Streeck, W., & Thelen, K. (2005). Introduction: Institutional change in advanced political economies. In W. Streeck & K. Thelen (Eds.), *Beyond Continuity: Institutional Change in Advanced Political Economies* (pp. 1–39). Oxford, UK: Oxford University Press.

Thelen, K. (2014). Varieties of liberalization and the new politics of social solidarity. In *Varieties of Liberalization and the New Politics of Social Solidarity* (pp. 1–32).

Cambridge: Cambridge University Press.

Vidal, M. (2013a). Low-autonomy work and bad jobs in post-Fordist capitalism. *Human Relations*, *66*(4), 587–612. https://doi.org/10.1177/0018726712471406

Vidal, M. (2013b). Postfordism as a dysfunctional accumulation regime: a comparative analysis of the USA, the UK and Germany. *Work, Employment & Society*, *27*(3), 451–471. https://doi.org/10.1177/0950017013481876

Walker, J. T., Brewster, C., & Wood, G. (2014). Diversity between and within varieties of capitalism: Transnational survey evidence. *Industrial and Corporate Change*, *23*(2), 493–533. https://doi.org/10.1093/icc/dtt014

Walker, J. T., Wood, G., Brewster, C., & Beleska-Spasova, E. (2018). Context, market economies and MNEs: The example of financial incentivization. *International Business Review, 27*(1), 21–33. https://doi.org/10.1016/j.ibusrev.2017.04.006

Whitley, R. (1987). Taking firms seriously as economic actors: Towards a sociology of firm behaviour. *Organization Studies, 8*(2), 125–147. https://doi.org/10.1177/017084068700800202

Whitley, R. (1999). *Divergent Capitalisms: The Social Structuring and Change of Business Systems*. Oxford, UK: Oxford University Press.

Whitley, R. (2007). *Business Systems and Organizational Capabilities: The Institutional Structuring of Competitive Competences*. Oxford: Oxford University Press.

Whitley, R. (2010a). Changing competition models in market economies: The effects of internationalization, technological innovations, and academic expansion on the conditions supporting dominant economic logics. In G. Morgan, J. L. Campbell, C. Crouch, O. K. Pedersen, & R. Whitley (Eds.), *The Oxford Handbook of Comparative Institutional Analysis* (pp. 363–397). Oxford, UK: Oxford University Press. https://doi.org/10.1093/oxfordhb/9780199233762.003.0014

Whitley, R. (2010b). The institutional construction of firms. In G. Morgan, J. L. Campbell, C. Crouch, O. K. Pedersen, & R. Whitley (Eds.), *The Oxford Handbook of Comparative Institutional Analysis* (pp. 453–495). Oxford: Oxford University Press. https://doi.org/10.1093/oxfordhb/9780199233762.003.0017

Wilkinson, A., Dundon, T., Donaghey, J., & Townsend, K. (2014). Partnership, collaboration and mutual gains: evaluating context, interests and legitimacy. *International Journal of Human Resource Management*. Taylor & Francis. https://doi.org/10.1080/09585192.2014.868713

Witt, M. A., & Jackson, G. (2016). Varieties of capitalism and institutional comparative advantage: A test and reinterpretation. *Journal of International Business Studies*, *47*(7), 778–806. https://doi.org/10.1057/s41267-016-0001-8

Wood, G., & Wright, M. (2015). Corporations and new statism: Trends and research priorities. *Academy Management Perspectives*, *29*(2), 271–286.

Table 1 Institutional Approaches to HRM

	Theoretical Approach		
	Varieties Approach	***Historical Institutionalism***	***Regulation Framework***
Assumptions: Key institutions and collective actors separate or intertwined?			
Ontologically	Intertwined	Intertwined	Intertwined
Conceptually and analytically	Often treated as a separate, but also increasingly as intertwined	Intertwined	Intertwined
Characteristics			
Typical analytical focus/seeks to explain:	Organisational capabilities; competitive advantages; innovation	Inequality within societies;	Societal outcomes and global developments in capitalism
Unit of analysis: micro (firm), meso (region or sector) or macro (country) level?	Increasingly micro and meso, but traditionally macro	Macro	Macro
Sources of institutional change	Initially exogenous, but increasingly endogenous	Endogenous and exogenous	Endogenous and exogenous
Emphasis on the implications of the connections between countries for national models?	Limited initial focus on the international embeddedness of national economic models, but more focus recently	Limited initial focus on the international embeddedness of national economic models, but more focus recently	Greater initial emphasis on international embeddedness of national economic models that continues
Typical analytical techniques	Eclectic: 'large N' regressions, case studies, 'fuzzy-set qualitative comparative analysis'	Narrative analysis of key sectors and countries	Narrative analysis of key sectors and countries
Typical Findings and Studies			
Typical conclusions	Institutions matter, resulting in HRM variation across countries and sectors	General decrease in HRM standards, but also greater dualism (division of workforce into 'good' and 'bad' jobs)	Reduction in 'HRM standards' (especially, pay and conditions) for many workers
Typical examples	(Bhankaraully, n.d.; Brewster, Wood, & Goergen, 2015; Goyer et al., 2016)	(Baccaro & Howell, 2011; Hassel, 2014; Kinderman, 2017)	(Boyer, 2005, 2006; Vidal, 2013a)