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International HRD and Offshore Outsourcing: A Conceptual Review and Research Agenda

Human Resource Development Review

Abstract

Offshore outsourcing is an increasing trend in the global business environment and has important consequences for human resource development (HRD) practices such as organization development, knowledge transfer, organizational culture, and training and development. However, the links between international HRD (IHRD) and offshore outsourcing have yet to be explored in the HRD literature. This article argues that robust IHRD research into offshore outsourcing contexts is required that challenges the dominant "headquarters perspective" taken in existing accounts of the global trend to offshore outsourcing. To provide the basis for a research agenda, the article undertakes a conceptual review of the IHRD and offshore outsourcing literatures. It develops a conceptual framework that identifies connections between these fields as a basis for an IHRD research agenda to examine the HRD effects and contributions to offshore outsourcing arrangements for individuals and teams working in "provider" and "client" organizations and to investigate the consequences for HRD in both "home" and "destination" countries.

Offshore outsourcing is an increasingly prevalent response to economic globalization and technological development as organizations endeavor to compete across boundaries of time, space, and geography (Chermack, Lynham, & Ruona, 2003; Joo, McLean, & Yang, 2013). This trend is set to continue; estimates suggest that the global market for process and services offshore outsourcing is growing at a steady rate in spite of global economic fluctuations (BPO Watch, 2013; Javalgi, Dixit, & Scherer, 2009; Lahiri & Kedia, 2011; St. John, Guynes, & Cline, 2015). The resultant changes to organizational forms and processes have important consequences for organization development, knowledge transfer, organizational culture, and training and development. However, the international human resource development (IHRD) literature has thus far paid only limited attention to the implications of this phenomenon for both theory and practice (Garavan & Carbery, 2012).

Problem Statement and Research Process

Outsourcing involves the handing over of activities that could be performed "in house" to external process or service providers. Offshore outsourcing occurs when these activities or functions are handed over to providers located in one or more foreign countries where the client organization does not have direct ownership, authority, or control (Kedia & Lahiri, 2007; Sartor & Beamish, 2014). The depth, breadth, and rapidity with which organizations are adopting offshore outsourcing strategies are reflected in the business strategy literature (see, for example, Hätönen & Eriksson, 2009; Kedia & Lahiri, 2007; Orberg-Jensen, 2012), but limited examination of the human resource development (HRD) implications of these strategies has been undertaken. A search of peer-reviewed journals in the HRD field published between 2000 and 2015 (Human Resource Development

Quarterly, Human Resource Development International, Advances in Developing Human Resources, Human Resource Development Review, European Journal of Training and Development, and International Journal of Training and Development) identified that more than 250 articles include consideration of outsourcing, of which 60% are also concerned with IHRD. However, only 15 articles examined offshore outsourcing and only 1 of these, a conceptual article, specifically considered IHRD (G. G. Wang & Sun, 2012). There is, therefore, a pressing need for robust empirical research and theorizing to examine the IHRD consequences of offshore outsourcing. This article responds to this need through a conceptual review of both offshore outsourcing and IHRD literature.

Following Callahan (2010), the purpose of this article is not to carry out an integrated literature review but rather to review the theories and concepts underpinning both IHRD and offshore outsourcing to make connections and so stimulate an IHRD research agenda into offshore outsourcing. The underpinning theories in both the IHRD literature and the offshore outsourcing literature, the important concepts associated with them, and the HRD priorities that follow are examined in this article. The IHRD literature is considered first. Following the conceptual review of the offshore outsourcing literature, an integrated conceptual framework is developed that identifies connections between them. The implications for IHRD research into offshore outsourcing and a research agenda are then proposed.

Specifically, the following questions are addressed by this article:

Research Question 1: What theories and concepts are represented in the IHRD literature and what HRD priorities follow from them?

Research Question 2: How has the growth and development of offshore outsourcing been explained in the international and strategic management literature and what HRD concepts and priorities are evident?

Research Question 3: What research questions arise from the conceptual connections between IHRD and offshore outsourcing?

In discussing offshore outsourcing, this article uses the term initiating organization to connote the "client" and the term provider organization to represent the service provider or "vendor."

International HRD

A substantial body of literature is devoted to issues associated with IHRD but a definition of the field remains elusive and debates continue about its scope, theoretical frameworks, and methods of inquiry (Garavan & Carbery, 2012; X. Wang & McLean, 2007). IHRD scholarship addresses a broad range of topics that includes cross-cultural features of HRD, differences between national systems of HRD, and the organizational and institutional policies and practices that support the performance of those who work across national borders. To take the comprehensive scope of the field into account in this conceptual review, a broad definition of IHRD is adopted: "processes that address the formulation and practice of HRD systems, practices and policies at the global, societal and organizational levels" (Metcalfe & Rees, 2005, p. 455).

Four fields of IHRD scholarship are discussed here: comparative and cross-cultural HRD, national HRD (NHRD), global HRD, and research into the career issues of those in internationalizing organizations who work across borders. A summary of the theories, concepts, and HRD priorities identified in this review is provided in Table 1.

Internationalizing Organizations and Expatriate Workers

This section examines the theories and concepts in HRD-related research into internationalizing organizations and expatriate workers, specifically the career motivation and development support of those who undertake expatriate assignments. This literature highlights the important career, personal, and professional development implications for those who undertake and return from assignments in other countries. The focus of research in this field is on the individual- and organizational-level performance issues (De Cieri, Cox, & Fenwick, 2007) and return on investment in the cost of expatriating a relatively small international "elite" grouping of executives and managers selected for international assignments (Stahl, Miller, & Tung, 2002). Further research in this field is evident in the emerging talent management literature, which highlights the simultaneous pressure to meet both the organizational and individual goals of expatriates through international talent management strategies (Farndale, Avinash, Sparrow, & Scullion, 2014).

As research has matured in this field, a number of alternative forms of cross-border assignments have been identified and classified such as "commuter," "rotational," "short-term," "long-term," and "virtual" (Dickmann & Harris, 2005; Doherty, Dickmann, & Mills, 2011; Shaffer, Kraimer, Chen, & Bolino, 2012). Different HRD strategies have been identified as appropriate to "fit" various forms of international business strategy to enable a balance between cross-border integration and local responsiveness (Brewster, Sparrow, & Harris, 2005; Budhwar & Sparrow, 2002; Rugman, Verbeke, & Nguyen, 2011). Key concepts in this field are cognitive flexibility, intercultural competencies, career identity and motivation, social networks, and business integration/differentiation. Research in this field is grounded in a number of theoretical perspectives that incorporate career theories, psychological contract theory, the knowledge-based view (KBV) of the firm, and human capital theory (see, for example, Baruch, Dickmann, Altman, & Bournois, 2013; Osman-Gani, & Rockstuhl, 2008; Rugman et al., 2011; Shaffer et al., 2012; Stahl et al., 2002).

Comparative and Cross-Cultural HRD

Comparative and cross-cultural HRD represents a further field of scholarship that addresses the HRD challenges arising from operating in different legal and cultural contexts (Caligiuri & Stroh, 1995). Research in this area focuses attention on cultural, cross-cultural, and cross-institutional leadership issues (see, for example, Cseh, Davis, & Khilji, 2013; Doherty et al., 2011; House, Javidan, & Hanges, 2002). A further element of comparative and cross-cultural HRD has focused on approaches required and enacted by international organizations directed at international competency development (Ghoshal & Bartlett, 1997; Harvey, Kiessling, & Moeller, 2011). Much of the research in these areas draws attention to the conflicting pressures of integration and differentiation of business cultures and processes and the implications for international management development. Research focusing on different forms of organizational strategy such as international joint ventures and strategic alliances also highlights HRD opportunities to foster and support interorganizational cooperation and

learning (Lavie & Rosenkopf, 2006). Scholarship in this area has focused on the implications of leadership philosophy, geographical "spread," and the anticipated management development needs of future global leaders.

Drawing on a different range of theoretical perspectives such as the resource-based view (RBV) of the firm, cultural theories, institutional theory, and social network/social capital theories, comparative HRD has contributed a range of insights into different features of learning and development practices in organizations that operate in different countries (see, for example, Peng, Peterson, & Shyi, 1991; Peterson, 1997). Key concepts within this research are societal culture, ethnic and cultural diversity, leadership style, international leadership competencies, and absorptive capacity (Baruch, Budhwar, & Khatri, 2007; Jokinen, 2005). Comparative HRD concepts and typologies include cross-cultural competency, international and cross-cultural leadership, learning styles, societal culture, and organizational culture (Ardichvili & Kuchinke, 2002; Ghoshal & Bartlett, 1997; Hee Kim & Callahan, 2013; House et al., 2002).

NHRD

A third field of IHRD scholarship, NHRD examines the effects on skills capability and human capacity building of national-level policies and the national and regional institutions that affect and regulate HRD policy. NHRD research adopts a pluralist and multilevel approach and examines the influence of a range of stakeholders at individual, organizational, institutional, and societal levels (Garavan & Carbery, 2012; X. Wang & McLean, 2007). Drawing on socioeconomic and sociopolitical theories, different features of vocational education and training (VET) and capability development are examined and explained. Ecological and behavioral frameworks also feature in research in this field, and the influence of culture on approaches toward skills development and organizational behavior is a further important feature (Ardichvili & Kuchinke, 2002; Busch, 2012).

NHRD sets out to understand different policy and institutional approaches to VET and skill development policies through cultural, economic, and institutionally derived analyses of relationships between labor market institutions, national systems of employee relations, and national VET processes. Governments' skill formation, employment and institutional policies at the nation-state level, and partnership arrangements with international agencies are examined to assess human capability development at individual and organizational levels. Human capital theory and labor market economics are important theoretical perspectives, and workforce demographics and VET approaches are important categories through which these developments are considered. NHRD represents a fast-growing but methodologically underdeveloped and undertheorized area of the IHRD field (Ardichvili & Kuchinke, 2002; X. Wang & McLean, 2007) although labor market theory and theories of national culture and organizational culture are used by scholars in this field (see, for example, Ardichvili & Kuchinke, 2002; Galperin & Lituchy, 2014; Kornelakis, 2014; McLean, 2004). Socioeconomic approaches to VET policy and skill formation, societal-level variables (economic, political, social, religious), and analysis of employee relations systems (Alagaraja, & Wang, 2012; Joo & Mclean, 2006; Stewart & Sambrook, 2012; G. G. Wang, 2008) dominate this field.

Global HRD

The fourth focus in the IHRD research literature draws attention to the HRD opportunities to develop people on a global scale in multinational corporations (MNCs). In a context of increasing global competition where knowledge and skills form a key basis for competitive advantage, Global HRD approaches direct attention to the development of social networking competency as a means of increasing social capital (Gubbins & Garavan, 2009). raq4Global HRD has the potential to challenge the dominance of Western European or North American perspectives toward HRD (Chermack et al., 2003) by drawing attention to a range of "actors" in the development of people in global organizations and the importance of taking into account learning processes at local, regional, and global levels of the firm (Garavan & Carbery, 2012). In a context where globalization provides the opportunity for the development of an international "employer brand" (Cascio, 2014), Global HRD provides the opportunity for study of "global domestics" (people with cross-national job responsibilities requiring interaction with others in other countries but who do not have the need to travel) as well as those who are expatriated. Issues associated with global team working and the learning and knowledge transfer effects on nonmanagerial host country nationals employed in MNCs represent another important focus for research (Bartlett, Lawler, Bae, Chen, & Wan, 2002; Shaffer et al., 2012). These lines of inquiry call attention to the relationship between Global HRD and societal outcomes such as corporate social responsibility and economic sustainability (Kuchinke, 2010; Thite, 2013).

Work to date in this field has drawn on a range of theoretical frameworks including the RBV, social network theory, institutional theory, structuration theory, and stakeholder theory (Doh, 2005; Garavan, 2007; Shaffer et al., 2012). Important concepts identified by scholarship in Global HRD include learning networks, employer brand, organizational learning, organization development, and business ethics (Cascio, 2014; Kim & McLean, 2012; Kuchinke, 2010; Marsick, 2013; Mizzi & Rocco, 2013; Thite, 2013).

Offshore Outsourcing

Global HRD scholarship has foregrounded the effect of strategic MNC-level responses to global business competitive opportunities and challenges. Offshore outsourcing strategies form an important feature of these responses (Contractor, Kumar, Kundu, & Pedersen, 2010; Hätönen & Eriksson, 2009). Although most outsourcing "client" organizations come from North America, Europe, and Japan, the range of offshoring locations continues to expand to include countries such as India, China, Philippines, Russia, Ireland, Mexico, Romania, Argentina, Costa Rica, Vietnam, Poland, Nicaragua, Botswana, Sri Lanka, South Africa, Malaysia, Jordan, Ghana, and Tunisia (Kedia & Lahiri, 2007; Thite, 2012).

As offshore outsourcing is now a prominent feature of globalization, a conceptual framework is needed to make connections between IHRD and the offshore outsourcing literature to provide a basis for future research. In addressing the second question posed in this article, this section considers the theoretical and conceptual grounding of theories that explain different forms of offshore outsourcing and identifies associated HRD priorities that these infer as the basis for the development of an integrated conceptual framework.

Three distinct but overlapping manifestations of offshore outsourcing are described in the strategic management literature (Hätönen & Eriksson, 2009; Kedia & Lahiri, 2007). The first form represents an extension of in-country outsourcing where an offshore-located provider organization contracts to undertake transactional processes and services on behalf of a client organization. A second "strategic" partnership form of offshore outsourcing has also been identified which involves a longer term and more collaborative relationship between the two parties (Almond, 2011; Hätönen & Eriksson, 2009). The third form of offshore outsourcing, developed in the context of proposals relating to the "boundaryless organization," has been termed transformational outsourcing (Kedia & Lahiri, 2007). These three manifestations of offshore outsourcing, and the links to HRD priorities and concepts, are summarized in Table 2.

Tactical Offshore Outsourcing

The first and most "basic" form of offshore outsourcing identified in the strategic and international management literature is variously labelled as "transactional," "tactical," or "arm's length." This purpose of this form of offshore outsourcing is to achieve economic benefits from considering "fixed" employment structures as variable-cost structures with the consequence that the cost of business transactions moves up or down as the business climate changes. The de-skilling effects of transactional offshore outsourcing for employees in "home" countries is well documented in the literature although the performative model of HRD can be aligned with the cost-efficiency benefits of achieving maximum return on skills and capabilities for lowest cost investment (Gainey & Klass, 2005; Galperin & Lituchy, 2014; McGuire, Cross, & O'Donnell, 2005; Swanson, 1995). Transactional cost economics (TCE) theory is most commonly used to account for the development of these tactical or transactional offshore outsourcing contracts (Coase, 1937; Williamson, 1975). This approach to economics estimates transaction costs as those that are over and above the price of the product or service that is procured or delivered. Offshore outsourcing offers the potential to achieve cost savings and maximize profit through the establishment of "arms-length" offshore contracts. Although offshore outsourcing came to prominence in international "make or buy" decisions relating to product markets, this logic is now applied to business processes and services as much as to manufacturing scenarios (Benson & Zhu, 2002).

Key concepts within TCE are as follows: transaction structures and costs, contractual performance measurement, and "transactional opportunism." HRD concepts that are also important to the successful enactment of tactical offshore outsourcing are as follows: skills capability, interorganizational communication, cross-cultural competencies, and interorganizational (cross-cultural) leadership. For HRD practitioners, the tactical form of offshore outsourcing prioritizes issues such as workforce capability, HRD support for interorganizational communication, and the training required to support transactional convergence.

Strategic Offshore Outsourcing

The literature associated with the second (strategic) form of offshore outsourcing is grounded in the assumption that client organizations can move beyond short-term, resource-focused transactional cost advantage and harness the competitive opportunities presented by technology and the growing market power of developing countries in a globalizing context (Chermack et al., 2003; Johnsson,

Boud, & Solomon, 2012). The purpose of strategic outsourcing agreements is identified as the development and strengthening of "core competencies" through a partnership relationship between the initiating and provider organizations to provide access to the additional skills, competences, and knowledge held by the provider organization.

This approach to offshore outsourcing draws on the RBV of the firm or the KBV of the firm (Barney, 1991; Wernerfelt, 1984). Drawing on these theoretical perspectives, the focus of attention is on the internal sources of firms' value derived from their acquisition and control of valuable, rare, inimitable, and nonsubstitutable (human and knowledge-based) resources. The development of operational organizational processes to enable the organization to absorb and apply these capabilities to sustain competitive advantage is another focus of this RBV and KBV analysis (Barney, 1991, 2001; Grant, 1996).

From this perspective, offshore outsourcing can be understood as a means to enable an organization to focus on and exploit its own internal strengths while working with provider organizations to generate opportunities for "in-bound" knowledge and capability transfer (Boxall & Purcell, 2000). Such a perspective offers many links with HRD priorities and concepts. HRD concepts that feature within the RBV and KBV of the firm include core competencies, knowledge management, and capability development. HRD priorities for organizations involved in strategic offshore outsourcing contracts may include: knowledge management, HRD support for strategic innovation, and change management (Collins & Smith, 2006; Garavan, 2007; Grant, 1996; Minbaeva, Pedersen, Björkman, Fey, & Park, 2003).

In summary, the strategic partnership form of offshore outsourcing is depicted as a route to sustained competitive advantage through "economies of scope," resource acquisition and core competencies (Adler, 2001; Blomqvist, Kyläheiko, & Virolainen, 2002). Grounded as it is in RBV and KBV of the firm, there are many conceptual links with the IHRD field. However, although these theories may account for business performance in a context of relative stability in the business environment, they are less persuasive where organizations operate in unpredictable environments characterized by rapid and dynamic development of new technologies and new markets that require innovation and entrepreneurship if strategic competitive advantage is to be maintained.

Transformational Offshore Outsourcing

This form of offshore outsourcing is described in the strategic management literature as a longer term and more ambitious partnership between client organizations and offshored provider firms, the purpose of which is to redefine or transform existing business models. Such a strategy seeks to achieve a "step change" in organization-wide expertise for both parties involved in the relationship (Feeny, Lacity, & Willcocks, 2005; Lahiri & Kedia, 2011; Sartor & Beamish, 2014). Resource dependency theory (RDT) is the most common explanation of transformational offshore outsourcing. RDT assumes an "open systems" model of organizations in which rapid adaptation to the contingencies of the external environment is a priority (Pfeffer & Salancik, 1978). It suggests that organizations can reduce uncertainty in a volatile business environment through an engagement with different forms of interorganizational relationships. These relationships offer the potential to maintain flexible and responsive interaction with stakeholders and access to critical resources

necessary for organizational innovation and adaptation in a volatile and turbulent business environment (Inkpen & Birkenshaw, 1994).

RDT offers one explanation of the motivations of stakeholders who decide to participate in different forms of interorganizational relationships of which offshore outsourcing is but one option (Yin & Shanley, 2008). The focus on innovation, change, development, and adaption, however, provides a number of links to HRD concepts and priorities. Important concepts include organizational capability, absorptive capacity, learning networks, organizational learning, collaborative innovation, and organization development. In a transformational offshore outsourcing context, HRD priorities are the maximization of innovation capability, collaborative innovation, knowledge sharing, and organization development.

To summarize, the international management and strategy literature highlights the complex, multilayered, and multifaceted nature of the migration of business processes and services to offshore outsource provider organizations. The review presented here highlights a range of conceptual linkages between different forms of offshore outsourcing with IHRD. These are summarized in Table 2.

Discussion

The review of the IHRD and offshore outsourcing literatures undertaken here reveals a number of areas of conceptual linkage and suggests areas of HRD priority in offshore outsourcing contexts. This section discusses these areas of linkage which are illustrated in Figure 1. This framework is developed from the conceptual review of the literature and shows the linkages from the four focal areas of IHRD research linked to the typology of offshore outsourcing forms. The purpose is to provide a basis for further empirical examination of IHRD in offshore outsourcing contexts. Following Torraco (2005), the purpose of this analysis is to construct a research agenda that poses provocative questions intended to provide a basis for future research to enable richer and more theoretically diverse IHRD perspectives to contribute to understanding and explanation of different forms of offshore outsourcing.

Theoretical perspectives that feature in the IHRD and offshore outsourcing literature are considered first before an analysis of the conceptual linkages between the IHRD and offshore outsourcing knowledge bases. Comparison of the theories found in both literatures highlights the wider and more diverse range of theoretical perspectives in IHRD than in the offshore outsourcing field. This presents opportunities for IHRD research in offshore outsourcing contexts. For example, explanations of the tactical form of offshore outsourcing are currently limited to consideration of economic transactions in interorganizational business processes (Tallman & Chacar, 2011; Watson et al., 2005). This perspective overlooks the social features of transactions, particularly those associated with the skills development, intellectual challenge, and self-efficacy of people who work on behalf of both initiating and provider organizations. This presents an opportunity for IHRD scholars to contribute a richer empirical examination of career and talent management, cross-cultural, leadership development, and performance management outcomes of tactical forms of offshore outsourcing, from the perspective of both initiating and provider organizations. Explanations of the transformational form of offshore outsourcing in the strategic management

literature are also dominated by a singular theoretical perspective, that of RDT. While this standpoint explains stakeholders' decisions to participate in interorganizational relationships, it does not take into account the socially embedded context of participants in both partner organizations (Filatotchev, & Wright, 2011; Kumar & Seth, 1998; Yin & Shanley, 2008). IHRD scholars, drawing on a wider range of theoretical perspectives such as network theory and organizational learning theory, are well placed to examine and explain the extent to which the transformational form of offshore outsourcing provides the basis for the organizational capability development, greater absorptive capacity, and collaborative innovation.

The conceptual linkages illustrated in Figure 1 also indicate scope for IHRD research to address a range of issues. First, IHRD research to examine management learning and organization development processes for both initiating and provider organizations at all stages of development to enable the assimilation of new ideas, values, systems, and techniques would contribute new knowledge in the offshore outsourcing domain (Clarke & Geppert, 2002; Thite, 2013). Second, drawing on insights from comparative, cross-cultural, and national HRD, IHRD scholars are well placed to explore and challenge the dominant cultural and business assumptions of the initiating organization in offshore outsourcing contexts. An exploration of the distinctions between cultural values and institutions in both "home" and "destination" countries is needed if the potential for oversimplification of national cultures in comparative processes is to be avoided (Bartlett et al., 2002; Baruch et al., 2013; De Cieri et al., 2007). For example, IHRD research, grounded in perspectives developed in the NHRD research tradition, offers a powerful basis from which to examine the learning and development issues facing those in provider organizations and the wider "diffusion" effects that may affect the labor markets and societies in offshore outsourcing "destination" countries and firms (Pereira & Anderson, 2012).

Third, although concepts of talent management, principally applied to international "elite" executives and managers grounded in the headquarters of the initiating organization, are represented in the IHRD literature, the integrated conceptual framework indicates the importance of research attention focused toward employees that may be termed glocals—those who work across cultures without leaving "home." A further research priority, so far underexplored in both the IHRD and offshore outsourcing fields, relates to the operation of social learning networks resulting from requirements to work in cross-cultural and cross-institutional teams on a virtual basis. Fourth, the conceptual framework as it is presented here suggests a linear transition from tactical to transformational forms of offshore outsourcing which has so far not been empirically examined. Indeed, IHRD perspectives suggest that the transition from a transactional resource focus to a commitment to organizational innovation and development is unlikely without HRD intervention. Longitudinal research to examine the intersection of institutions, organization culture, strategy, structure, and leadership over time and reflecting different forms of offshore outsourcing are, therefore, required.

Fifth, although the conceptual review presented here highlights how the RBV and KBV of the firm are important theories for both IHRD and offshore outsourcing, IHRD research is required to examine the utility of the emphasis of these approaches on resource acquisition and retention and the potential underestimation of the human agency and social capital features of value creation in organizations. IHRD research that examines the social and cross-cultural features of knowledge

capital and the antecedents and outcomes of "knowledge deployment" within strategic and other forms of offshore outsourcing represents a further important research opportunity.

Limitations

Before consideration of the research agenda arising from these conceptual linkages, limitations must be acknowledged. First, in its focus on offshore outsourcing, the article has not focused on the related trend to insourcing that arises when an organization chooses to undertake the internal sourcing of business activities albeit that the allocation of the business services or process is undertaken in different geographical locations (St. John et al., 2015; Schniederjans, Schniederjans, & Schniederjans, 2005). Second, much of the literature base in both the IHRD and offshore outsourcing fields tends to be grounded in institutional and corporate headquarters logics. Third, an optimistic, functionalist perspective of globalization, international business development, and HRD is implicit in the theories and concepts in these fields. Fourth, both the IHRD and offshore outsourcing literatures reflect normative theoretical approaches, and issues of power imbalance in institutional strategies and systems of employee relations and skills development in different national contexts are underexplored. These limitations are reflected in the framework presented here, derived as it is from the extant literature. Further research to assess these issues is also required but falls outside of the scope of this article.

Implications for an IHRD Research Agenda

This section addresses the implications that feature in the third question posed in the article: What research questions arise from the conceptual connections between IHRD and offshore outsourcing? Taken as a whole, the review presented here suggests three areas where new knowledge resulting from IHRD research into offshore outsourcing is required. First, IHRD research can contribute an important assessment of the social, cognitive, and skill development implications of interorganizational transactions and relationships in offshore outsourcing contexts to examine and explain interorganizational trust and collaboration between provider organizations and initiating organizations. Second, IHRD research is required to examine leadership and management learning across partner organizations in different countries and an assessment of the extent to which new technical and managerial knowledge can be appropriated and new ways of thinking can be encouraged to achieve knowledge transfer and organization development. Third, research to examine the effect of offshore outsourcing in different regions of the world is required focused on the differential effect that different National Vocational Education and Training (NVET) and skills policies may have on the offshore outsourcing decision process, the extent to which "cultural distance" affects the trajectory of and execution of offshore outsourcing processes, and the effect of offshore outsourcing on indigenous HRD practices in destination countries. Fourth, the review presented here highlights the privileging of the initiating organization perspective in IHRD research; scant attention has been paid to the perspective of the provider organization. Therefore, an important research question for IHRD research is as follows: What similarities and differences result from offshore outsourcing for those in initiating and provider organizations?

Specific research questions identified from the analysis of the conceptual linkages identified in the article that pertain to specific forms of offshore outsourcing or specific stages in the offshore outsourcing process include the following:

- What are the career and talent management, cross-cultural, leadership development, and performance management outcomes of tactical forms of offshore outsourcing?
- What are the cultural antecedents and outcomes of "knowledge deployment" within strategic forms of offshore outsourcing?
- What are the antecedents and outcomes of organizational capability, absorptive capacity, and collaborative innovation in transformational forms of offshore outsourcing?
- What factors moderate the assimilation of new ideas, values, systems, and techniques when offshore outsourcing processes are initiated?
- What are the "diffusion" effects over time of offshore outsourcing for "destination" countries?
- How are social networks developed and maintained by those in offshore outsourcing arrangements whose work is cross-cultural but is undertaken from the "home" organization?
- What are the antecedents and outcomes of effective virtual, cross-institutional team-working arrangements in offshore outsourcing contexts?
- How do HRD interventions and strategies influence the development over time of offshore outsourcing relationships?

Conclusion and Recommendations

This article reviews the theories and concepts underpinning the IHRD and offshore outsourcing literature bases and analyzes the connections between them as a basis from which to pose provocative research questions from which HRD scholars can contribute new knowledge about IHRD in offshore outsourcing contexts. The questions posed as a result of the analysis suggest that descriptive, exploratory, and explanatory research is necessary; a range of different research methods and paradigms are appropriate. In addition to the research agenda in the "Implications for an IHRD Research Agenda" section, three recommendations follow from the discussion of these conceptual linkages. First, in relation to research design, the analysis highlights the multilayered and complex nature of IHRD in offshore outsourcing contexts. Cross-sectional research may have limited utility and multilevel and/or longitudinal analysis as well as comparative and case study research strategies are more likely to provide the basis for robust interrogation of the IHRD implications of offshore outsourcing. Second, in framing research questions, it is important to examine the implications of offshore outsourcing for both provider and initiating organizations and so challenge the privileging of the perspective of the initiating organization in offshore outsourcing contexts that is apparent in much of the strategic management and the international human resource management (HRM) literatures. Third, a diverse range of theoretical perspectives that fall within the IHRD research domain is necessary if examination of the intersection of institutions, organization culture, strategy, structure, and leadership in offshore outsourcing contexts is to be undertaken.

This article has highlighted the increasing trend of offshore outsourcing of business services and processes, which has important consequences for HRD. However, these issues are underresearched

in the IHRD field. The integrated conceptual framework and the research agenda proposed in this article contribute to the HRD literature base by providing the basis for robust IHRD research into offshore outsourcing and the implications for the development of individuals, teams, and organizations and the consequences for HRD in different parts of the world.

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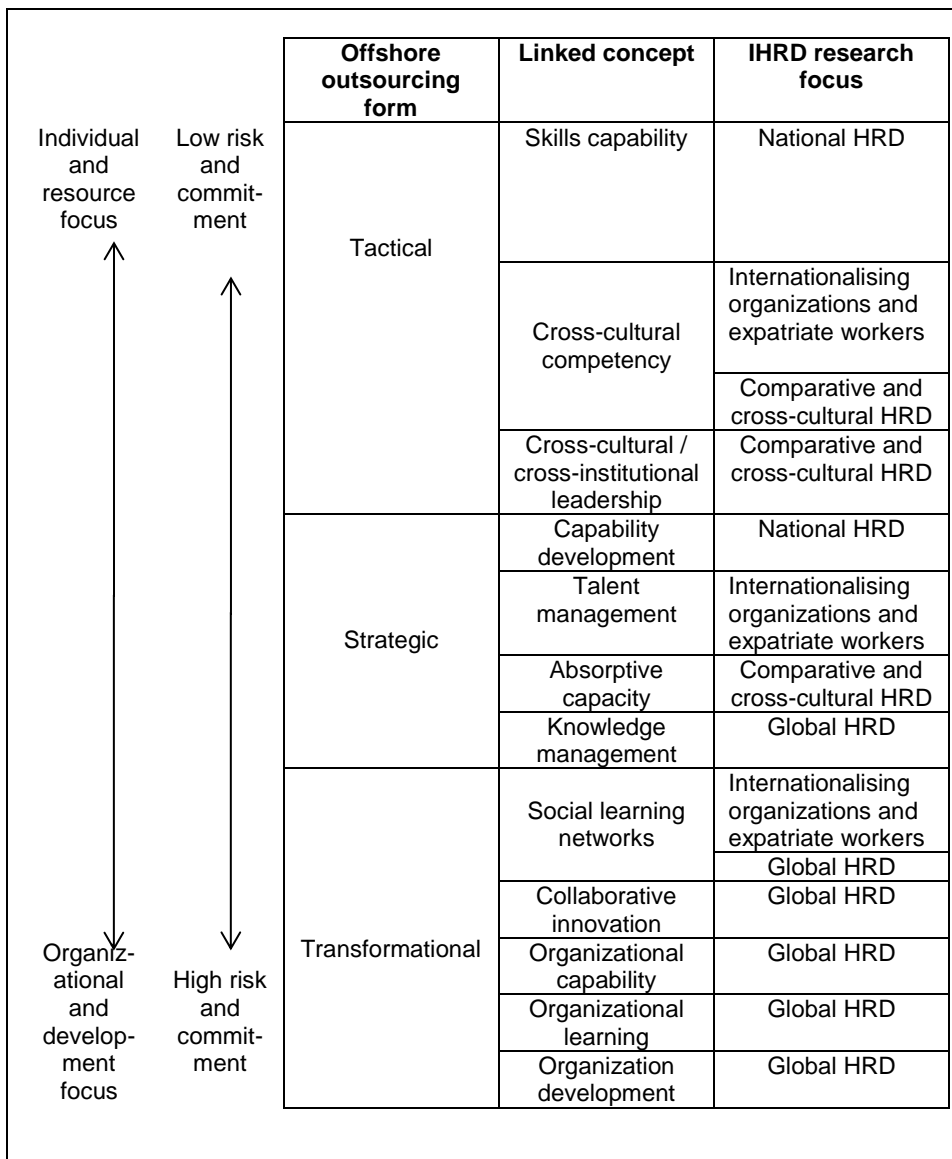
Table 1. IHRD Research Fields.

Research focus	HRD priorities	Theories	Concepts
Internationalizing organizations and expatriate workers. See, for example, Budhwar and Sparrow (2002); Stahl, Miller, and Tung (2002); Doherty, Dickmann, and Mills (2011); and Farndale, Avinash, Sparrow, and Scullion (2014).	Expatriate effectiveness. Career development and management. Individual and business performance. Business integration.	Career theories. Psychological contract theory. Knowledge-based view of the firm. Human capital theory.	Cognitive flexibility. Intercultural competence. Social networks. Business integration/differentiation. Career identity and motivation.
Comparative and cross-cultural HRD. See, for example, Child (2001), Doherty et al. (2011), and Ghoshal and Bartlett (1997).	Intercultural competency. Cross-cultural leadership. Diversity and inclusion. Learning effectiveness. Organization development.	Cultural theories. Resource-based view of the firm. Social capital theory. Social network theory. Institutional theory.	Cross-cultural leadership. Cultural diversity. Societal culture.
National HRD. See, for example, X. Wang and McLean (2007), Ardichvili and Kuchinke (2002), and Busch (2012).	Skill formation processes. Workforce demographics. Institutional relationships. Workforce capability development. Talent development and retention.	Labor market theory. Developmental state theory. Human capital theory. Institutional theory. Cultural theories. Stakeholder theory.	National culture. Organizational culture. Labor market. Vocational education and training.
Global HRD. See, for example, Gubbins and Garavan (2009), Garavan and Carbery (2012), and Shaffer, Kraimer, Chen, and Bolino (2012).	Organizational performance. Organizational learning. Organizational change. Organization development. Global talent development.	Resource-based view of the firm. Knowledge-based view of the firm. Social network theory. Structuration theory. Stakeholder theory.	Learning networks. Employer brand. Organizational learning. Organization development. Business ethics. Absorptive capacity.

Note. IHRD = international human resource development.

Table 2.

Offshore Outsourcing and HRD Priorities and Concepts.

Form of offshore outsourcing and strategic priority	HRD priorities	Important HRD concepts

Tactical
        Cost efficiency.
        Transactional convergence.
	Workforce capability.
	Interorganizational communication.
	Training to support transactional convergence.
		Cross-institutional (international) leadership.
		Skills capability.
		Cross-cultural competency.

Strategic
        Core competence.
        Resource acquisition.
	Knowledge management.
	Strategic innovation.
	Change management.
		Resource acquisition.
		Knowledge management.
		Capability development.

Transformational
        Shared risk.
        Business transformation.
	Innovation capability.
	Collaborative innovation.
	Knowledge sharing.
	Organization development.
		Organizational capability.
		Learning networks.
		Organizational learning
		Collaborative innovation
		Organization development
		Absorptive capacity.

Individual and resource focus ↑ Low risk and commitment ↑

Organizational and development focus ↕ High risk and commitment ↕

Offshore outsourcing form	Linked concept	IHRD research focus
Tactical	Skills capability	National HRD
	Cross-cultural competency	Internationalising organizations and expatriate workers
		Comparative and cross-cultural HRD
	Cross-cultural / cross-institutional leadership	Comparative and cross-cultural HRD
Strategic	Capability development	National HRD
	Talent management	Internationalising organizations and expatriate workers
	Absorptive capacity	Comparative and cross-cultural HRD
	Knowledge management	Global HRD
Transformational	Social learning networks	Internationalising organizations and expatriate workers
		Global HRD
	Collaborative innovation	Global HRD
	Organizational capability	Global HRD
	Organizational learning	Global HRD
	Organization development	Global HRD

Figure 1. International HRD and offshore outsourcing: An integrated conceptual framework.
Note. HRD = human resource development.