

Saint-Petersburg State University
Graduate School of Management
Master in International Business Program

**HR COMPETENCES FOR INTERNATIONALIZATION PROCESS
IN EMERGING MARKET CONTEXT: EVIDENCE FROM RUSSIAN
COMPANIES**

Master's Thesis by the 2nd year student
Concentration – International Business
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St. Petersburg

2016

ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ

ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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Faculty	Graduate School of Management
Направление подготовки	Международный бизнес
Main field of study	International Business
Год	2016
Year	2016
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Description of the goal, tasks and main results	<p>Организационное поведение и управления персоналом</p> <p>Современный HR менеджер должен обладать определенным набором компетенций, который позволит ему воплотить HR практики и стратегии, необходимые в процессе интернационализации. Тем не менее, концепция роли HR менеджера и HR менеджер представляют общий набор качеств, без выявления их значимости для условий развивающихся рынков или потребностей компании при вхождении на зарубежный рынок. Цель данной работы определить ключевые компетенции HR менеджеров в российских компаниях, которые необходимы в процессе интернационализации. Для достижения этой цели были исследованы существующие модели компетенций HR менеджера, выявляющий уровень значимости и степень владения определенного набора компетенций. В результате было выявлено, что наиболее важными компетенциями HR менеджеров находятся в области коммуникаций, системе взаимоотношений с партнерами и клиентами, HR экспертизе и лидерстве. Проведен сравнительный анализ компетенций HR менеджеров в российских компаниях. Различные аспекты были исследованы в отношении профессионального владения и необходимости в процессе экспансии.</p> <p>During the past decades the globalization and the expansion to foreign markets trends set in front of the majority of companies, numerous challenges. In such a competitive environment, necessary in the process of internationalization. However, the concept of the role of HR Manager and HR manager represent a common set of qualities, without identifying their significance for the conditions of emerging markets or the needs of the company when entering the foreign market. The goal of this research is to identify the key competencies of HR managers in Russian companies, which are necessary in the process of internationalization. To achieve this purpose with a help of the survey and semi-structured interviews among HR managers – involvement of the HR managers in the process of internationalization, which competencies HR managers in Russia consider as important for it and the level of level of proficiency HR managers have for these competencies. As a result it was revealed that the most important domains include Communication, Relationship management, HR expertise and Leadership and Navigation competency. Numerous sub-competencies concerning each domain were highlighted regarding the level of importance, requirement and the level of individual proficiency.</p>
Ключевые слова	Интернационализация, компетенции, российские компании, HR менеджер, модели компетенций.
Keywords	Internationalization, HR manager's competencies, Russian companies, competency models

ABSTRACT

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INTRODUCTION

Nowadays the challenge of globalization and the expansion of the company to foreign markets arises in front of the majority of companies planning to grow their businesses. In the foreground of the business interest are the international activity of the company and its ability to cope with globalization's challenges. It's especially relevant for the companies from emerging economies that invest heavily in geographical development and process of internationalization. The competitive advantage of the firm in the form of innovations, creativity, flexibility and strategic decision-making depends on the personnel selection and development. Therefore, it's HR urgent challenge to contribute significantly to the firm's overall performance. The impact of Human Resource Management on the company's process of internationalization is unquestionable – the initial HR operations such as recruitment, retention and employee's' development directly affect company's adaptation to the international environment.

There is a collection of the scientific studies that are dedicated to the analysis of needful company's companies for internationalization in the context of emerging markets as well along with managerial competencies for provision of effective decision-making on global perspective. However, nearly enough of them explore in a practical sense the area of Human Resource management competencies pull.

The current approaches focus mostly on a generic human competence model without distinct reference to concrete HR role, strategic or functional role, internal or external HR supports. Moreover, the analysis of Human resources role while the company enters foreign markets implies the case study of concrete HR practices, but not the skills that managers need to implement those actions. In the context of increasing role that emerging markets play on global scope, issues of an effective use of any firm resources, and human resource in particular are extremely important. The lack of HR specialist with a particular expert knowledge and set of competencies can therefore create an obstacle to implement firm's global strategy on a basic level.

The goal of this research is to identify and analyze the set of competencies of an HR

manager that are important for the company from emerging markets during the internationalization process. During this research the investigation of the list of HR competencies to determine the key skills, knowledge and abilities will be done. The output of this study is to provide a competence profile of a HR manager that is involved in the firm's entering foreign markets and practical recommendations for the HRM about potential area for development.

CHAPTER I. THEORETICAL ANALYSIS OF HR COMETENCiES FOR INTERNATIONALIZATION

Nowadays in the response to numerous business environment challenges such as globalization, increasing speed of economic development, customer demand and loyalty focus along with growing rivalry the company should involve all the resources, especially its human capital (Ulrich 2013). The competitive advantage of the firm in the form of innovations, creativity, flexibility and strategic decision-making depends on the personnel selection and development. Therefore, it's HR urgent challenge to contribute significantly to the firm's overall performance. The impact of Human Resource Management in the company's success is unquestionable – starting in last century researchers proved the correlation between HR impact and financial performance of the firm (Brockbank, 1999). The strategic contribution of the HR department reaches up to 43%, which is twice as high as any other function.

In these conditions HRM is the most important and sensitive in local and international context of all management domains (Mohan, 2012). Entering new market is a complicated procedure that demands great efforts and managerial skills in diffusing and coordinating company's strategy, values and practices, which is entirely HRM field of interest. The evolution of International Human Resource practices goes along with internationalization practices of companies – global staffing and talent practices relate directly to the general firm's strategy (Scullion & Collings, 2006). For example, they involved in building the employer brand image abroad, merger of different corporate culture or facilitating foreign workers' assimilation.

However, despite the undeniable value of HRM in internationalization process, many HR executives are not invited to the strategic planning table because they have failed to display the required competencies (Wright 1998). The interest of the companies to improve performance with a help of Human Resource practices consecutively raised a question of the set of needful

skills, knowledge and expertise HR managers need to implement those practices (Wayne, 2016). Therefore the field of HR manager's competencies must be reviewed separately.

1.1. Competence definition

With the increasing popularity of resource-based approach viewed firm's resources as a competitive advantage, managerial competence as "the collective learning in the organization, especially how to co-ordinate diverse production skills and integrate multiple streams of technologies" was recognized to be strategically important for the company (Prahalad and Hamel, 1990). The focus on competence-based approach allows organizing system exactly around those critical capabilities (competencies) that create the necessary prerequisites for customer value.

The need to predict employee performance was always crucial for any organization. Initially employers used such measures as traditional cognitive intelligence tests, however they proved to be bad in prediction work results (Delamare, 2005). The very creation of the concept of competence developed from the alternative approach to this problem, since not the initial qualities of candidates, but job characteristics of workers distinguish successful and effective ones from others. Opposite to intelligence or cognitive abilities, competences were considered as fundamentally behavioral and, therefore, could be learnt with a help of trainings and development (McClelland, 1998). Moreover, competency-based approach improves job productivity, decreases training and learning costs and reduces staff turnover. Other scholars concluded that future organization will build their activity around people and their competencies (Spencer and Spencer, 1993) They add that there will be less emphasis on jobs as the building blocks of an organization; instead increased attention will be focused on employee competencies.

For the first time the term "competence" was used in the article of R.W.White (White, 1959), who determined it as an "ability of an individual to do a job properly". Other researches supported this approach through analysis of different jobs in term of competence as set of motives, traits, values, content knowledge, and behavioral skills – all personal features that can demonstrate the difference between effective and less effective employees (Spencer, 1993). Combining different research studies dedicated to the topic of competence definition it could be concluded that competence as a concept presents:

- The set of skills, knowledge, and behavior patterns that allows workers to do job properly (Woodruffe, 1993);

- Critical factors – abilities, capabilities - common to successful employees, which lead to excellent performance (Mansfield, 1996);
- Area of knowledge or skill that is crucial to providing key results (McLagan, 1989).

It could be seen that all these definitions refer to the job excellence of the worker and distinctive traits needful for it.

Nevertheless as competence-based approach was developing more confusion and inconsistency of usage among different authors around this term occurred (Boon, 2002). One of the obstacles concerned the separation of “competence” and “competency” definitions, which are often used as synonyms (Brown, 2008). Some researches even refer to the country-occupation difference: “competency” in American tradition and “competence” in UK occupational standards (Delamare, 2005). However, further literature research brought out the separation between 2 terms:

- “competence” was defined in the meaning of skill and job performance minimum standards, which are also commonly associated with hard skills,
- “competency” referred to a behavior that helps to achieve higher results, “person’s behavior underpinning competent performance” (Woodruffe, 1991).

Further competencies’ studies defined the components of any competence:

- 1) Skills – cognitive or behavioral what people can perform well, like computer programming);
- 2) Knowledge - awareness about specific topic, whether it’s technical or interactive;
- 3) Self-image – personal view or identity includes self-confidence, self-control, stamina etc.
- 4) Trait – characteristic of people, habitual behaviors that help to recognize;
- 5) Motives – unconscious necessities and preferences, which rule human behavior.

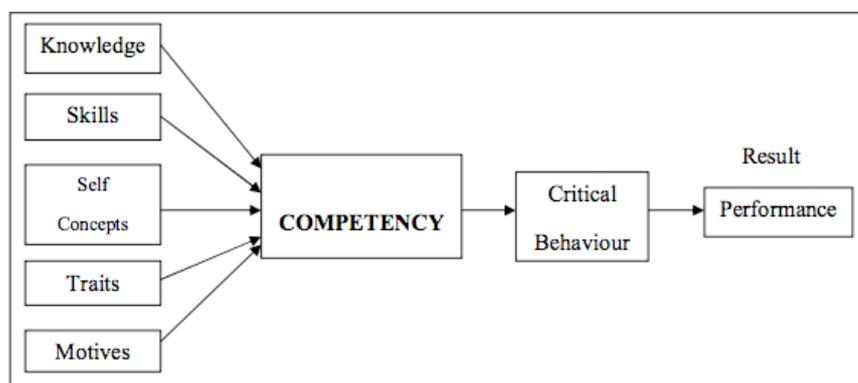


Figure 1. Concept of competence (Brown, 1994)

However, even after the achievement of a common opinion on “competence”, the fuzzy concept of it didn’t become simple among scholars. Some authors argue that competence implies only behavioral skills and discourage the knowledge component (Delamare, 2005). The classification of competencies also demonstrates the great variety of proposed models by different authors. The particular classification as a rule depends on the own theory of the author and purpose of presented study. For instance, Spencer and Spencer (1993) defined 2 types of competencies:

1) Threshold Competencies that present the basic set of features workers need to perform job properly, however they do not allow differentiating superior performers from others.

The extensive research work in the area of managerial competencies expanded the class of threshold competencies, since majority of leaders, advanced professionals, managers in key positions require particular basic clusters of behavioral patterns (Boyatzis, 2007):

- Expertise and experience;
- Knowledge;
- Basic cognitive competencies (memory, critical and analytical thinking etc.)

2) Differentiating Competencies that characterize superior performers, they could be used as a benchmarking example and transformed into job indicators.

For differentiating type scholars (Boyatzis, 1982, Spencer and Spencer, 1993) define following clusters:

- Cognitive competencies (system thinking);
- Emotional intelligence competencies (empathy, emotional self-control and self-awareness);
- Social intelligence competencies (relationship management, team building, social awareness).

There are a lot of other competence typologies (hard/soft, emergent, core, obsolete; strategic, supervisory, individual etc.), however, most of them are criticized as being inconsistent due to one-dimension nature and have to be substituted by multi-dimensional frameworks (Delamare, 2005).

Nevertheless this profile could not cover the needs of all companies, therefore the majority of firms tend to create, implement and revise their own specific competence-based applications with a significant amount of investments.

There are several most common competency models in literature defined, the most classical refer to the pioneer in field of defining critical personal factors common to successful performers R. Boyatzis (Boyatzis, 1982), who conducted the empirical study of 2000 managers to find out 19 specific competencies what enable them to be successful in their job positions and divided them in 6 particular clusters:

- goal and action management;
- leadership;
- human resource;
- directing subordinates;
- focus on others;
- specialized knowledge.

Other authors suppose that key managerial competencies must include: 1) leadership skills; 2) managerial skills, 3) interpersonal skills; 4) communication skills; 5) creativity; 7) adaptability. Another concept of competency clusters (Dulewicz, 1989) determined 4 clusters:

- 1) Intellectual competencies (strategic and perspective thinking, analysis and evaluation);
- 2) Interpersonal competencies (e.g., credibility, determination);
- 3) Adaptability (e.g., resilience);
- 4) Goal-orientation

However, all this models contain too many intersecting so-called sub-competencies (Ennis, 2008), which are hard to possess simultaneously. Therefore to use competency models more effective different other models are being elaborated for a specific job position or functional department in order to focus on urgent professional competencies.

1.2. Human Resource manager's competence models

The understanding of the competence as a tool to predict effective performance triggered further development of assessing and reestablishing HR manager's role (Caldwell, 2010). The role of Human Resource department began to be analyzed beyond the administrative function, but as being able to add value to the whole business and address organizational challenges (Ulrich, 1995). Researchers suggest that HR specialists could add significant benefit due to change of management organization and coordination (Long, 2013). The opportunity to evaluate HR role impact on the company's performance with a help of competences to increase work efficiency stimulate researches to define a set of particularly important skills for HR manager (Ulrich, Brockbank, 2005).

The profile of an effective HR manager in the context of its influence on overall organizational performance was in the focus of an extensive researches' interest since the

competitiveness of business environment became fiercer. In parallel with new business challenges Human resource managers also have to develop new competencies to address new responsibilities (Srimannarayana, 2013). According to the Ulrich’s approach (Ulrich, 1997), those competencies might be determined by the evaluation of the senior manager and external stakeholders or by empirical research. HR competency models promised to create more consistent and coherent professional standards for training and development.

Over the last thirty years several massive studies were conducting by scholars to identify the important HR competencies for company’s performance. The first extensive study dedicated to the analysis of HR competencies involved 3000 HR managers in order to define the most crucial competencies among HR specialists, line HR managers and academicians (Glaister, 2014). The result of this study demonstrated that for the line manager computer literacy was the most important HR competence, while for the HR consultants the change management expertise was the prior one (Long, 2011). Other studies aimed to specify concrete areas of Human resource management skills and knowledge.

Table 1. Research on HR Competency Model

Model\Research	Competency Model
McLagan (1989)	“The Human Resource Wheel”, technical or functional competencies
Ulrich et al. (2012)	Credible activist; Strategic positioner; Capability builder; Change champion; Human resource innovator and integrator; and Information proponent.
SHRM (2015)	Communication, Relationship management, Ethical practice, HR expertise (HR knowledge), Business acumen, Critical evaluation, Global and cultural effectiveness, Leadership and navigation, Consultation

The evolution of the HR competency models went in parallel with the changing attitude to the role of HRM itself. The model by McLagan established the primary image of broad-based generic HR competencies, which was further used as a base by other researchers (Ulrich, 1995). The model is mainly focused on the functional of technical competence peculiarities of HR manager work, which does not cover the need to involve manager in the process of strategic decision-making and therefore does not highlight future competence needs. Moreover this model reflects more job-related standards, rather than specific behavioral competencies (Delamare,

2005).

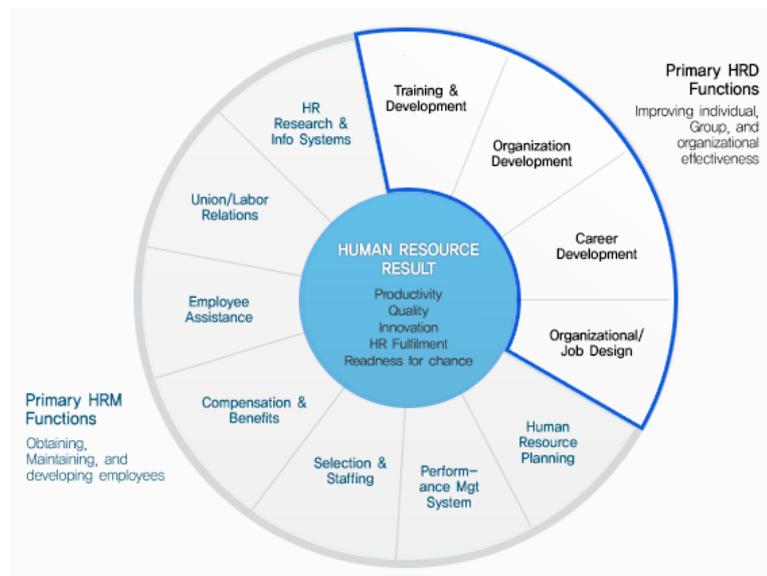


Figure 2. HR Wheel competency model (McLagan, 1989)

Competency models proposed by D. Ulrich evolved through time starting with 3 clusters of competencies - Business Knowledge, HR delivery and Change – to 6 competency domains determined in 2012 - Credible activist; Strategic positioner; Capability builder; Change champion; Human resource innovator and integrator; and Information proponent.

The most extensive tool place in 1987 and was conducted by D. Ulrich with a following set of others, extending the previous framework. The first one involved more than 10 000 HR managers with an aim to explore the core groups of HR competencies - 3 major categories such as “change management”, “business knowledge” and “HR delivery” or “functional expertise”. The next update added an “cultural management” item referring to the ability of HR to influence employee’s behavior and “personal credibility” as the most important group that reflect how well HR manager could implement the business values (Caldwell, 2008). The final revision of the model proposed was carried out in 2013 and categorized the initial set of competencies into 6 domains (Ulrich, 2013):

- 1) Strategic positioner - the ability to interpret global business context; predict and address customer demand; participate in building the firm strategy
- 2) Credible activist – the ability to build trust and influence the result of other employees; high self-awareness;
- 3) Capability builder – the ability to align organizational practices, culture and behavior to strategy and company’s needs; productive work environment establishment;
- 4) Change champion – the ability to initiate and sustain organizational changes,

change management expertise;

5) HR innovator and integrator – the ability to optimize human resources, plan and analyze company’s needs; to develop talent and leadership in the company, to manage and promote the driving performance;

6) Technology proponent – the ability to increase HR operations effectiveness, to build networks due to technologies application, operate social media tools.

However, even the authors of the framework recognize its limitations – according to the survey the generic nature of distinguished competencies explain less than a half of the HR manager effectiveness – 42,5%, while the rest refers to the situation-specific factors.

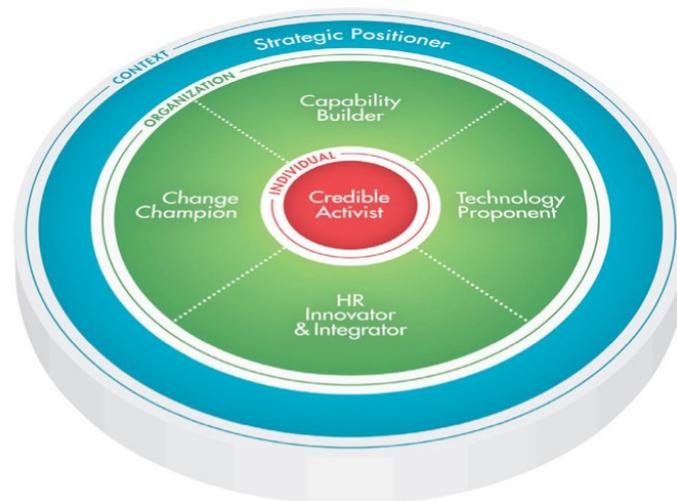


Figure 3. Ulrich's HR competency model 2012 (Ulrich, 2012)

The development of this model emphasized the importance of business success domains, leading to the establishment of a specific set of competencies for “HR business partner” and the whole competencies frameworks for this new role (Caldwell, 2008). This model is quite popular among HR specialist due to simplicity and clear message to promote strategic image of HR function. Nevertheless even the proponents of this competence set raised the question whether there is a role-specific or context-specific competencies, why some are more important than the others and whether all HR practitioners should possess them (Brown, 2009).

More recently, a SHRM – the Society of Human Resource Management - created the largest and most comprehensive competency model for HR (Cohen, 2015, Ulrich, 2015). The SHRM HR competency model follows recognized protocol of by the Society for Industrial and Organizational Psychology (SIOP) and represents comprehensive model based on the survey among 32 000 HR specialists with 1,200 HR practitioners involved to identify nine critical

competencies necessary for success as an HR professional along with a detailed set of sub-competencies and proficiency statements. Overall the model was tested among participants from 33 nations of different personal and organizational attributes. The SHRM model covers also the existent studies on HR competencies topic and defines the key areas of HR potential knowledge. Moreover it determines the main challenges for modern HR (while previous work has single sub-competency items concerning identified HR needs) such as “talents’ retaining and rewarding”, “development of leaders”, “attractive corporate culture creation”, “supporting employer brand image” etc. Nowadays this model proposes the most comprehensive overview of main HR competency domains along with detailed behavioral indicators or sub-competencies that that are liked with successful job performance.



Figure 4. SHRM competency model (Cohen, 2015)

However, the HR competencies frameworks are extending through the time, while each researcher emphasizes new core HR abilities and challenges. In such a way the needs to develop vendor management skills as well as technology excellence, cost analysis, knowledge in law, finance have occurred, making the picture even more complicated (Cohen, 2015).

Hence, the separation on functional and strategic competencies for HR managers took place in order to demonstrate that not all the competencies are needed for HR manager and should vary depend on the factors (Lo, 2015). According to the survey among HR specialists there is a mixed perception of certain skills and knowledge importance. For instance, it was found out that business knowledge competencies contrary to behavioral approach are less

important for functional HR roles because these specialists tend to interact more with employees and line managers than with top management and executives. Moreover functional HR managers also apply Leadership and Relation Building competencies to communicate effectively not only with line managers, but with stakeholders to promote the most effective practices.

Therefore, even the proponents of universal approach such as D.Ulrich agreed on the importance of application of the context framework to define relevant competencies beyond generic ones (Ulrich, Dulebohn, 2015). The definition of the new context-based Human resource wave in the function perception emphasizes that HR involvement now should consist of two elements: 1) the business context understanding and reaction; 2) relationships with certain stakeholders.

The current business challenges such as globalization, rising of emerging economies and fight for talents force researchers to shift from “one-size-fits-all universalist approach and adopt a situationalist approach to enable a more contextualized understanding of what shapes HR competency requirements” (Lo, 2015). However, there is still a research gap concerning the particular HR competencies in the context of certain business environment. In particular, there is none studies done in order to investigate, which competencies out of the pull of mentioned one play crucial for HR manager when he or she have to facilitate the company’s success during entering new market.

Therefore before the distinction of the particular HR competencies that might be crucial for the manager during internalization process to analyze the general scope of HR challenges in this situation. The peculiarities of business environment and stakeholder involved along with the most required HR practices should be analyzed and combined with current situationalist models of HR repertoires.

1.3. Internationalization in emerging market economies

The attractiveness of emerging market economies for foreign investors to cover new demand goes along with the increasing activity of companies from these markets to extend their operation abroad and strengthen competitiveness on the global scale. According to the UNCTAD (UNCTAD, 2015) report, overall emerging economies (developing and transition economies) accounted for nine of the 20 largest sources of FDI flows in 2014, which equals to

\$486 bln. However emerging economy firms originate from a context that is unfavorable for generating significant firm-specific ownership advantages of the traditional kind (Ramamurti, 2008, Meyer, 2012). Traditional internationalization theories propose the idea that such a firm-specific advantage as ownership (technological advantage, innovative designs, business models etc.) could facilitate the expansion into foreign markets. This approach was explained in the OLI-eclectic model (Dunning, 2001), which, nevertheless, was criticized since it didn't work in several conditions, including the case of EMNEs (Ramamaurti, 2012).

The extant literature on emerging market multinationals (EMNEs) proposes the key role of country-specific advantages (CSAs) opposite to the traditional firm specific advantage (FSA) such as technology. Some authors (Mathews, 2006) suggest that the search for the intangible ownership advantage might be substituted by the network competence– the ability to establish links with the international partners and learn from these firms. The idea of knowledge and information flows along with network building competencies found the support among other researchers (Gaffney, 2013) even in case of SMEs, which are especially lack of resources for internationalization and therefore rely in greater extent of the collaboration with foreign partners (Costa, 2016). Nevertheless, the competitive ownership advantage as semi-skilled cheap labor and natural resources as oil and gas (e.g. in Russia) also has a support in a literature (Bhamuk, 2016; Ramamurti, 2012).

1.3.1. Internationalization of Russian companies

In Russia the internationalization process was mostly triggered by reforms in privatization and industrial restructuring (Mihailova, 2012). Business and management in Russia have undergone substantial change during the past two decades as the country has transitioned from the centrally planned Soviet system to a more market-oriented economy

In the literature the issue of Russian firms' internationalization has been studied through the perspective of the state role and ownership advantage of industries such as of access to natural resources. Studies of Russian companies internationalization experiences prove that the main incentives to enter new market were risk mitigation through offshore assets, global recognition and image improvement (Panibratov, 2009). The support of the government, access to financial loans, experience of operation in conditions with weak infrastructure and administrative barriers facilitate the development of certain competitive advantages during the internationalization. However, despite the massive privatization process, there is a retained control of the government towards largest firms in the strategically important industries such as

energy production, telecommunications, and electrical utilities (Vääänen, 2009).

The less stable Russian institutional environment has influenced Russian managers to focus more on the short term perspective, selecting partners that provide access to financial capital and complementary capabilities so as to enhance their firms' ability to adapt to nation's turbulent environment (Aulakh, 2007). Moreover, the intention to internationalize is explained by authors (Panibratov, 2010; Zubkovskaya, 2014) by the attempt to enhance the global value chain, gain control over different part of it and diversify the business.

Authors also specify the distinctive role of the network building ability (Michailova, 2014; Annushkina, 2013) impact on the internationalization especially in the Russian context. This competence of networking facilitates the internationalization through knowledge accumulation about new market and resource identification, development of marketing and sales capabilities, and network expansion with opening of new opportunities.

However, the main scope of studies dedicated to the EMNEs examples form banking, oil and gas, automotive, construction and telecommunication sectors, while the peculiarities of management team role stay quite unexplored. Moreover, the emphasis on the institutional challenges for EMNEs left the research gap for the investigation of organizational challenges such as for HRM, especially in the Russian environment.

1.4. The role of management during internationalization process

The world's business environment is fast developing, becoming more dynamic, volatile and uncertain. Different companies have to compete on global scale to become successful, since the global market offers opportunities not only for a greater product demand, but facilitates the cost reduction due to amortized coverage of several markets. International expansion is a corporate-level strategy, which creation and implantation are responsibility of company's top management for which a parent firm's top management is responsible. The expansion into foreign market demands participation of the majority of top management team, not only CEO, which requires certain consensus particularly in decision-making process (e.g. FDI, mode choice) (Barkema & Shvyrkov, 2007). The TMT therefore represents the information processing mechanism to cope with internationalization uncertainty. To provide for the firm strategic flexibility and global leadership, the TMT in a global organization should enhance its global mindset by diversifying the membership of its interactional assignees (Novicevich, 2001).

The process of firm's internationalization implies management to cope with a complex set of various decisions, which are complicated and often involve the participation of other internal and external parties. The management team has to take decisions on market selection, entry modes choice and take into account different factors affecting them.

The literature review identifies a set of managerial issues that the company is facing during the global integration process: 1) management of cross-border networks; 2) headquarter-subsidiary relationships; 3) internal knowledge management; 4) attraction of intellectual capital (Segal-Horn, 2009). However the execution of internationalization strategy takes place even before, during and after the process itself –the management team has to prepare personnel for the change, establish connections between firms in case of acquisition and integrate common management practices. As industries are becoming more geographically diversified, the need for cross-border coordination by top management increased and became the background of organization ability to achieve intra-organizational consistency.

The expansion to the new market implies the restructuring of internal environment by management of the firm in following dimensions: 1) human resources, 2) management processes, 3) culture, 4) organizational structure (Segal-Horn, 2009). For management it means the implementation of following practices to mitigate change and expansion consequences for the firm:

- Shared corporate culture creation
 - Global identity/brand
 - Commitment to global firm
 - Firm-wide value system
- Dominance of parent company culture
- Establishment of trust between partners, practices and offices
- Professional trust between individuals
- Working relationships across all subsidiaries
- Intra-firm network
- Compatible M&A selection

The Human resource domain also supports the integration of HRM policies in all functions: teambuilding, recruitment, training and development, performance management etc.

1.5. Managerial competencies for internationalization process

One of the most important challenges for firms going through the internationalization process is the necessity to develop new professional competences in organizations (Pinnington,

2014). There are new work needs connected with peculiarities of foreign market business environment that influence on business strategies and employees' professional practices, competences, and careers (Boussebaa, 2009). Undoubtedly all companies want to strengthen the competitive advantage of the firm while operating in a new complex international business environment, especially the characteristics and skills of its management.

There are a lot of research studies done on a topic of managerial characteristics (individual and common to top management teams - TMT) that facilitate the process of firm's internationalization (Acedo, 2007). However, different authors concentrated on rather descriptive features as teams' diversity demographical characteristics as age, organizational tenure and experience background, which, however, didn't provide the understanding about key qualities of such managers.

Although other studies (Loane, 2007) show that diversified TMT involvement into internationalization promotes: 1) the better understanding of the complexities of various global markets; 2) signal stakeholders (employees customers, suppliers etc.) about customized approach to meet new markets' demand; 3) reduces uncertainty level of the global scale operations; 4) improves decision making capability. Moreover the positive correlation was found between the intention of the company to expand abroad and lower age, higher tenure and functional background diversity of the management team (Bird, 2009).

There is no a clear distinction in literature between particular internationalization competency domains and global intercultural competency since the majority of authors promotes the significance of ability to operate into international business environment and building the effective networks - network competence – in the most of cases (Torkelli, 2012). However, some practitioners are more focused on the individual characteristics of managers involved into firm's expansion, while other evaluate the qualities of management teams. Rapid internationalization also depends on the ability of top management to extend the cross-national boundaries of operations and is associated with global mindset of managers and orientation. Therefore scholar also proposed 4 characteristics that might be taken into account, while building the management team involved into firm's expansion activity (Acedo, 2012)

- 1) Tolerance to ambiguity - the extent to which the manager is able to make decisions in risky environments or uncertain situations;
- 2) Proactivity - Proactive individuals scan the environment for opportunities, demonstrate initiative, and try to change things and take advantage from it;

- 3) Risk perception - managerial evaluation of the risk level related to internationalization, estimation of the extent of uncertainty and the control taking;
- 4) International orientation - the entrepreneurial savvy about foreign markets mechanisms, high mobility, language ability, great international experience and global mindset thinking. The high level of this feature also implies the low level of risk reception related to internationalization.

However, the proposed set of factors does not create a comprehensive competency framework with an appropriate set of behavioral indicators that will help to evaluate the proficiency level of each competency.

According to the E.Costa (Costa, 2016) the needs for particular managerial competencies rises from internationalization processes analysis and the perspective of the main challenges: information, collaboration and knowledge management. During further research studies specific internationalization-related competency domains as intercultural and global business were proposed (Bird, 2009), which also included Relationship building, visioning, negotiation etc. competencies blocks for general managers, while sub-competencies consisted of Environmental scanning, Global mindset; Thinking agility; Cosmopolitanism, Managing uncertainty etc.

Although all this models aimed to cover the main competency needs that managers faced during the internationalization, there is no specific emphasis on the context specific factors as emerging market environment or clear distinction with other global business or intercultural competencies models.

1.6. HR role during the internationalization process

Internationalization process set numerous challenges to the management teams from all functional departments including Human Resources. For HRM the changing business landscape especially in the context of the emerging markets presents additional obstacles (Scullion, 2007). The companies from emerging markets as a rule are smaller in size and have less resources and international business experience that other firms from developed markets. In the same time they is a need to find a right balance between integration and differentiation (Savaneviciene, 2015), since in some countries institutional structures and business systems could be more or less more flexible and formal. Therefore the transfer of HRM practices and principles to the foreign market subsidiary could be either facilitated or restricted. Moreover, the internationalization is directly correlated with investments of companies from emerging

markets into HRM practices development, especially in the case of entering developed market with high international standards (Khavul, 2010).

The process of assimilation of parent HRM strategy during the internationalization directly depends on the degree of standardization of HR practices (Wu, 2009). International HRM of the firm might have three generic orientation of relation between company's HRM system and subsidiary's one:

- 1) exportive, which implies the transfer of parent HRM system to subsidiary;
- 2) adaptive when parent company's HRM tries to adapt subsidiaries' one to local context;
- 3) integrative that considered to be the optimal one in terms of combination of parent and subsidiary HRM practices (Taylor, 1996).

The alignment with the global company's strategy concerning the degree of local responsiveness and global integration affects the HRM practices as well, therefore, demanding the development of the appropriate set of HR competencies.

There are a lot of research studies done aiming to determine the role of HR manager in the internationalization process of the company (Sparrow, 2004; Bartlett, 2008). Some scholars identified the special roles that HR manager performs and their dependence on the internationalization context:

- "guardian of culture", "knowledge management champion" (Sparrow et al., 2004),
- "effective influencer" (Novicevic and Harvey, 2001),
- "network leader and constructive fighter" and "attentive observer of time and context".

The role of HR was also considered to be changeable along the stages of internationalization, which aligns with the Taylor's model of HRM generic orientation change: starting from the "builder" position that implies the basic elements of HR strategy in the context of foreign market expansion, to "partner of change" that promotes adaptation of the existing HRM practices and policies to uncertain foreign environment and the "navigator" that develops co-workers and organizational competencies (Kohont, 2014). It is obvious from the literature review that the main focus of the HRM role during the internationalization demands the development of certain global competencies to facilitate the internationalization performance of the firm.

However, the recent studies prove the lack of appropriate attention of the researches to the file of the HR competencies essential to support business for expansion (Scullion 2000, 2007; Farndale, 2005). Although a lot of studies are dedicated to the analysis of the particular applied HRM practices there is not enough sufficient research of the underlying professional competencies that a crucial for the implementation of those practices. Moreover, even less studies explore the question of HRM competencies needful for expansion in the context of the emerging markets (Kohont, 2014).

There is a vague difference in research literature (Osland, 2006; Bird, 2010) between the essential competence set between general manager and HR manager involved in the internationalization process of the company. Indeed, the proposed model by Buyens (1999) emphasized the core HR competencies in the international environment such as cross-cultural interpersonal competencies, ability to learn about foreign cultures, local responsiveness etc., which intersect greatly with the global competencies of the general management.

1.7. HR manager competencies for internationalization

While entering the new market, the company, regardless whether it's from the emerging market of developed one, should take into account different issues such as strategic business planning, the expansion strategy of the company, product life cycle, future adaptation obstacles (Lengnick-Hall, 2006). Companies have to consider both cross-cultural and cross-national environments with some specific elements as nature of foreign trade unions, entry barriers (tariffs, subsidies), industry regulation etc. This requires managing of matching process due to geographic allocation of operations, increased competition, dependence on foreign division (Scullion, 2007). In these conditions HRM serves as a diffusing tool for management practices, control mechanisms and organizational values.

The special emphasis must be given to several issues such as best practice transfer, project management, lateral relationships, leadership development, network-shared framework, socialization of recruits (Scullion, 2006). The application of HR instruments is supposed to fulfill the primary goal of the company while entering the foreign market: to increase competitiveness and efficiency, adjust local responsiveness, promote flexibility and establish learning and knowledge transfer (Shuler, 2000). However, there is no unified best set of HRM practices during internationalization process, since numerous combinations of them are possible dependent on the circumstances, specific company's strategy, processes and structures (Guest, 2011).

Taking into account existent HR competency models it could be concluded that recent competency studies aiming to create the most comprehensive and massive frameworks also included in a proposed competencies and behavioral indicators set the existing global challenges that HRM of any company might face even during the internationalization process.

The SHRM model during the categorizing the whole pull of repertoires of HR professional follows the analysis of previous studies by D.Ulrich (Cohen, 2015), which defined the main challenges for modern HR including operating on the global scale (while previous work has single sub-competency items concerning identified HR needs) and therefore is the most relevant for current study. Nevertheless this model lacks the context-related application in terms of internationalization peculiarities of HR competencies, since it proposes the general overview of current HR challenges. Therefore, the model will be analyzed through the prism of HRM internationalization challenges observed previously in the literature review part.

1) Competency: Leadership & Navigation - The ability to direct and contribute to initiatives and processes within the organization.

If global leadership is to become one of the central facets of developing global strategies, the role of the human resource function, department, and managers must be redefined in the context of this change as well (Novicevich, 2001). Studies confirm that HRM leadership involvement supposed to be resolved through the global leadership development programs that are necessary to help managers master the complex control and co-ordination tasks in global assignments. This competence is important for HR manager, while company's entering the new market, since it was indicated that leader are the most effective transmitters of corporate values and initiatives especially during collaboration with international partners.

2) Competency: Ethical Practice – The ability to integrate core values, integrity, and accountability throughout all organizational and business practices.

During the internationalization process the personnel of the company might face a lot of conflict due to the strategy and policy difference between partners. It's especially relevant for companies from emerging markets because they often represent underdeveloped HRM policies and procedures. Therefore, the HR competence of ethical practices is another core issue (Khavul, 2010). The behavioral indicators of this domain imply maintaining confidentiality, acting with personal, professional, and behavioral integrity, responding immediately to all reports of unethical behavior or conflicts of interest etc.

Competency: Business Acumen - The ability to understand and apply the information about context and dynamics of business to contribute to strategic goal achievement

As it was mentioned, the process of entering foreign market implies consideration of different cross-cultural and cross-national environments (Savaneviciene, 2015). The HR managers have to adapt their practices as well depending on the internationalization mode, policy difference of international partners, understanding the obstacles of employee broad promotion on new market etc. Therefore, the comprehensive understanding of different aspects of business environment is required.

3) Competency: Relationship management: The ability to manage interactions to provide service and to support the organization needs.

The success of the internationalization and integration process highly depends on the cooperation between managers and employees in order to cope with ambiguous environment and address occurred conflicts and misunderstanding due to cultural differences, communication problems, employees resistance, talents turnover (Farndale, 2010). There are many managers and employees involved in the process of trainings, reaching expansion to transfer company's value. Therefore, in this case it is particularly important for HR specialists to represent mediator skills, clarifying the situation and reducing conflicts between different internal stakeholders. According to the researches there is a difficulty for managers in Russian companies to exchange feedback openly with superiors and share options and suggestions, while in developed countries this principle is implemented in the corporate culture itself (Koveshnikov, 2012). To overcome this obstacle such HRM practices as personal target discussions and employee surveys might be implemented and help to mitigate the internationalization procedure.

Moreover, positive informal relationships lead to job satisfaction and involvement, better performance, teamwork development and eliminate the tense atmosphere of corporate change during entering new market (Lo, 2015).

4) Competency: Consultation – the ability to provide guidance to organizational stakeholders.

Since the internationalization affects all domains of HRM, there is a need to provide information to senior management about expected changes staffing, trainings, talent development etc. along with HR budget allocation. One of the main global roles of HR is “change consultant” that are able to implement key phases of the change and facilitate change implementation into company's strategy (Caldwell, 2001). Besides HR specialist must guide and support management during internationalization process, analyze business challenges and provide effective solutions to facilitate company's integration into international relations.

5) Competency: Critical Evaluation - the ability to select information that is

relevant and useful to make business recommendations and support decision-making

During internationalization HR manager must balance the interest of local company and elements of external business environment. In order to do so larger scale of information must be analyzed with critical evaluation of core factors that directly influence business decisions. The needful changes in HRM policies must be supported with human capital metrics to monitor the success of their implementation in a new international context. The behavioral indicators of this competency domain are: 1) making sound decisions based on evaluation of available information, 2) transferring knowledge and best practices from one situation to the next, 3) applying critical thinking to information received from organizational stakeholders, and evaluating what can be used for organizational success, 4) identifying leading indicators of outcomes.

6) Competency: Global and Cultural Effectiveness – the ability to assess and take into account the perspectives and interests of all parties in global business.

One of the incentives of company for emerging market to internationalize is the workforce diversity and, therefore, the inflow of new employees with global mindset and competencies (Mohan, 2012). However, the conditions of local market might be a barrier to talent attraction and retention, especially in Russian circumstances. To ensure the understanding of international needs HR professionals have to effectively communicate with colleagues, clients and customers of different cultural backgrounds. HR managers have to know how to maintaining openness to others' ideas and making decisions based on experience, data, facts, and reasoned judgment, working effectively with diverse cultures and population, navigating the differences between practices etc.

7) Competency: Communication - the ability to effectively exchange information with stakeholders.

The most important challenge for HR manager during internationalization regardless whether it's firm from emerging or developed market is communication provision (Kohont. 2014). The literature review shows that classifications of the international HR manager roles emphasize the implementation of formal internal communication systems and HRM information systems, since the effective communication is essential for knowledge transfer, understanding the purposes and value of changes by employees. Furthermore knowledge transfer also minimize conflicts due to different operational routines and skills sets, so that

managers can avoid organizational overlap and personnel lay-offs that might happen during internationalization (Sparrow, 2004).

8) _____HR technical expertise and practice. This domain includes 15 functional competencies, which are classified in 4 functional areas, however, it's noticed that all of them correspond with different combination of behavioral competencies to some extent beside special technical knowledge. For instance, the Talent acquisition implies to use of Critical evaluation, Business Acumen and Consultation competency domains.

The HR competency-based models/frameworks developed by Ulrich et al. (2008), Brockbank and Ulrich (2003), McLagan (1989) and others basically set out the activities that the HR practitioners must engage in to be successful in the HR profession and could be applied to the internationalization context. These models, too, are used by organizations to further map out their own HR models/frameworks. However, most of the models were developed and tested in the west and may not be appropriately applied in the emerging markets including Russia. There appears to be a dearth of research in the development of empirically tested local indigenous HR models/frameworks in CEE region. As outlined in the literature review, the researchers like Farndale and Paauwe, 2005; Scullion and Starkey, 2000; Sparrow et al., 2004; asserted that more work needs to be carried out on HR competency modeling.

1.8. HR competency models in Russia

The program privatization influenced the development of HR in Russia as well – the new economic environment stimulated the staff competition or human capital as the main source of the competitive advantage (Khalil. 2008). The Russian labor market changed radically between 1994 and 1998 (McCarthy et al., 1993; Shekshnia, 1994). Employers now identify the following new features:

- Significantly more employees have a business education, speak English and understand market economies. This has resulted from increased management education (Puffer, 1993; Kozlova and Puffer, 1994).
- Greater practical experience by local managers;
- The existence of Western-educated Russian managers in the country;
- The existence of a pool of Western managers in senior positions with experience of working in Russia, stimulating FDI;
- A better work ethic among Russian employees, greater 'marketization' of labor, and greater labor mobility often assisted by companies.

However, Russia has historically proven to be challenging for foreign companies, in part due to cultural differences. The literature studies on research among local managers showed that the formal approval of crucial role of HRM by management in reality lacks the effectiveness measurement, with a bunch of traditional instruments such as hours of training per employee, delays in filling vacancies, etc. (Schekshina, 1998). Moreover, there is a clear gap in the process of integrating HRM policies across different business units— while most subsidiaries had a no clear business strategy, the parent companies of these subsidiaries in many cases has no HRM strategies either. The main characteristics of local HRM include lack of co-ordination, poor communication at senior manager level, low esteem of HRM, HRM unsupported by evaluation and reward systems.

There are only a few studies dedicated to the issue of HR competencies framework in emerging countries. The Russian case tends to be almost unknown due to specific of local HRM. The implementation of competency-based approach implies the close collaboration between employees and management, while according to the researches there is a difficulty for managers in Russian companies to exchange feedback openly with superiors and share options and suggestions, while in developed countries this principle is implemented in the corporate culture itself (Koveshnikov, 2012). Even the communication competencies, which, in case of internationalization suppose the development of foreign language competence as well, are not promoted enough. Moreover, there is evidence that recruitment tends to be the most important HR practice in Russian companies. What is more, Russian environment proved to be less acceptive to empowerment practices, preferring clear subordinate boundaries. That could lead to the problem of low initiative and additional efforts for HR department to align it with international partner's strategy (Fey, 2004).

The process of appraisals also has to be considered by HR specialist while entering the new market because the international studies proves the significant gap between the quality of appraisals system of Russian companies in comparison with those from developed markets (Fey, 2004). In most cases this process is driven by the firm rather than personnel demand, while managers used to provided orders rather than feedbacks; coaching and mentoring systems, which are crucial for knowledge transfer considered to be underdeveloped and informal.

The analysis of current practices used by Russian HRM allows assuming that the main competence of local HR managers is the functional or technical expertise, which mostly focus

on the recruitment practices (Fey, 2004). Nevertheless there is no research investigating the extent of this competence domain extensive usage, especially in the terms of internationalization. However, literature review reveal that the most common require receiving from the top management during the internationalization process of the firms is demand for trainings (Plakhotnik, 2005), More and more companies receive orders especially from Europe, and these companies need to ensure that their staff is able to fulfill the requirements of their clients, and that they are able to operate effectively and to produce good quality. The need for trainings mainly covers so-called hard competence developments - English language, computer skills, or management skills) (Fey, 1999). However there is no a lot of studies done on topics besides the higher involvement of HRM on the early stage of internationalization in terms of training provision.

Conclusion on Chapter I

The importance of HRM presents of the most importance issues while identifying the crucial competitive advantages of firms. The increasing investment in personnel and human resource capital provides firms with global organizational competencies that facilitate the operative adaptation to changing business environment and addition of customer value. The growing need of companies, especially for firms from emerging markets force them to seek for new opportunities advantages on foreign markets and exploit their own competitive advantages to acquire new capabilities. The process of internationalization of any mode requires the establishment of international cooperation and integration of all organizational functions including Human Resource management. The success of it highly depends on the cooperation between managers and employees and the sufficiency of global mind set and certain competencies both of HR specialists and other managers.

Taking everything into account, it could be concluded that firm internationalization, especially in the case of companies from emerging market, set several challenges in front of HR specialist. The adaptation of all pool of HRM practices is considered that requires particular set of professional competencies. The key success factor that defines the successful integration of HR practices addresses issue of knowledge transfer, involving expatriates into working process, understanding by HR specialist the peculiarities of new business environment and ability to act in ambiguous circumstances. For Russian business environment the most important issue is the alignment of existing HRM practices with those from developed markets, if internationalization demands this expansion. Strategic business vision along with ability to

implement changes in such procedures as empowerment, appraisals, global talent development and retention has the most significant importance for HR professionals in firms from emerging markets while entering foreign market.

There are a lot of research papers dedicated to the investigation of the competence profile of effective HR managers during the 30-year period of studies, however, most of them provide the general scope of HR repertoires, while there was little distinction by importance, relevance for a particular HR role, situation context etc. However, recent studies proves the shift of researchers from the behavioral and personal attitude to situationalist approach that aimed to consider the certain business context for HR competencies requirements, but there are not enough specific recommendations done. There is a research gap in the field more nuanced and detailed approach for HR managers selection and development, so to cover the shift for future research from the one-size-fits-all universalist approach to context-related one is needed.

The current the most extensive and comprehensive Human resource competence model is elaborated, providing the scope of 9 competency domains that covers all spheres of HR practice applications along with a set of behavioral indicators.: 1) Leadership & Navigation; 2) Ethical Practice; 3) Business Acumen; 4) Relationship Management; 5) Consultation; 6) Critical Evaluation; 7) Global & Cultural Effectiveness; 8) Communication; 9) HR expertise. The analysis and comparison in term of relevance and importance for HR managers during the internationalization and HRM practices applied will be done in the empirical part of this research to provide the context-related analysis of HR practitioners competence profile.

Research gap

The topic of HR competence profile has been investigated for many years, starting in the 1980's with extensive surveys among HR professionals aiming to identify the crucial competencies for successful job performance (Ulrich, Brockbank, 2012). Different authors proposed numerous competency models (McLagan, Ulrich, Spencer, Long), since every new model tries to cover arising HRM business challenges. All this models have certain intersection as far as many scholars share common perception of the strategic role of the HR manager for the company. Moreover, they mostly present the universalist approach to defining HR repertoires, which could be applied further to the context of the firm internationalization only in combination with relevant theory (Delamare, 2005). Moreover the proposed model of HR competencies needful for internationalization (Osland, Bird, 2010) do not also determine the particularities of HRM function proposing unified set of competences with great intersection

with general management global competency frameworks.

Although several studies were conducted on the topic of HR competence needs in terms of internationalization with highlighted focus on cross-cultural competence and network building (Sparrow, 2000, Farndale, 2005), the topic still lacks of appropriate scholars attention. Moreover, the majority of existent models were developed and checked in the west countries, while there is a little number of similar studies conducted in the CIS or CEE regions and in Russia in particular. The peculiarities of emerging markets implies that more work should be done in HR competency modeling taking into account characteristics of local HRM.

Hence, the following research aimed to cover the topic of HR competencies needful in the Russian context during the internationalization process and consequently following questions were stated:

- 1) Do Russian companies involve HR managers in the internationalization process of the firm?
- 2) What are the HR competences facilitating internationalization process of Russian companies?
- 3) What level of proficiency HR manager have for these competencies?

It is worth mentioning that this thesis is country-specific since the research goal of the study is to identify HR competencies that are particularly important for internationalization in the context of Russian market. Thus, HR managers of Russian companies are involved into the survey.

CHAPTER II. RESEARCH METHODOLOGY

2.1. Introduction

The definition of the important set of competences needful for HR professionals in Russian companies during the internationalization process is investigated in this study as far as the evolution of HR qualities took place in order to keep pace with current business needs. Current studies are more focused on exploring the HRM practices that align with company's global strategy, usually they are analyzed in terms of HR main functions: staffing, appraising, compensating and developing. In the framework of these functions specific aspects of working in global environment (flexibility, responsiveness) are highlighted.

However, the basic underlying requisitions such as competencies are missed from field of attention. Concerning one of the core activities of any growing business – the process of internalization – the consecutive establishment of advanced internal HR practices starting from HR manager’s professionalism and presence of crucial competences should be a start point. The recent concept of HR competency model emphasizes 9 areas of HR competence according to HR role in the organization: 1) Leadership & Navigation; 2) Ethical Practice; 3) Business Acumen; 4) Relationship Management; 5) Consultation; 6) Critical Evaluation; 7) Global & Cultural Effectiveness; 8) Communication; 9) HR expertise. The set of specific behavioral indicators that specify the concrete competencies are also included in the concepts, however, overall it has more generic and unified nature and demands the use of other HR internationalization-related literature to specify the application of a concrete domain.

However the concept of internationalization implies that core competence may lay in the intersection of all these clusters, therefore more detailed and context-specific approach is required.

2.2. Research approach

This study is aimed to fill the gap in current understanding of HR competence requirements in the context of firm internationalization using the example of Russian companies. The results will contribute to the area of HR key competencies understanding in the context of firm expansion and will provide recommendations for HR specialist selection and development for the companies in the emerging market context.

2.2.1 Purpose of the study

The primary objective of this research study is to identify and analyze the set of HR competencies that are important for the company during internationalization process. In particular, the study will concentrate on 3 aspects:

Research questions:

- 1) Do Russian companies involve HR managers in the realization of internationalization strategy of the firm?
- 2) What are the HR competences facilitating internationalization process of Russian companies?
- 3) What level of proficiency HR managers have for these competencies?

Answering these research questions provides the more comprehensive understanding of competency requirements and helps to elaborate a detailed competence framework for managerial use in context of internationalization process in order to develop HR managers and select those with appropriate repertoires.

2.3. Research design

The study presents survey type, which includes the collecting information about the personal opinions and perceptions. This approach is relevant in the case of current research since the individual assessment of the HR competencies importance is investigated. The preliminary part of the research is presented in the form of semi-structured interviews, which allows with relatively small purposeful sample of HR managers as respondents obtain data-rich information suitable for future interpretation, analysis and recommendations.

The initial list of proposed competences was based on previous research studies dedicated to the question of essential HR competencies in the modern business environment. According to the literature review, one of the most comprehensive models that cover the majority of HRM business challenges is presented by SHRM with following references of different scholars (Ulrich, 2015, Cohan, 2015). Nevertheless, as it was mentioned, this model contains mostly general set of skills, knowledge and abilities. In order to expand it for the peculiarities of the HR manager's role in the entering new market, other competency models was used. The behavioral indicators or sub-competencies were taken from competency models by as those developed by Bird&Osland, Long, Ulrich and other models dedicated to the topic of globalization, internationalization and intercultural competencies.

The proposed research plan includes following steps:

- 1) Semi-structured interview phase with HR professionals in order to justify initial competence set, clarify additional aspect to be included and get preliminary questions for a survey.
- 2) Survey phase – drawing up and distributing a questionnaire with closed-ended questions to evaluate level of importance of specified competence and possession extent among HR specialists.
- 3) Analyzing results using qualitative (interpretation, discussion) methods to explain received outcome.
- 4) Proposing managerial recommendations based on the research results and conclusions.

2.4. Research sample

HR managers of different role positions – middle, senior, executive - took part into this research. The initial criteria of the sample selection was the fact that Russian company did participated in the process of internationalization of any entry mode (export, licensing, franchising, joint venture, sales subsidiary etc.), while human resource management department was involved in the internationalization process of a company.

During the research data collection stage 42 HR managers from 18 companies, operating in different industries and going through the internationalization process were involved – 5 FMCG companies (e.g. dairy factory), furniture and apparel production, IT service company, ski manufacturer, transporting service, beer discount retailer, biotechnological company, medicine producer, recruitment agency, jewelry production. However, industry factor of the company where these managers operate in is an irrelevant factor, since the present research study doesn't explore the correlation between industry specifics and HR specialist competences. The respondents were contacted mostly through the Internet business forums or directly through HR department of the company.

Questionnaire was distributed via e-mails or through direct contacting. The level of HR managers for questionnaire was diversified (beginner, middle, executive level). The levels of HR role defined as following:

- 1) Beginner - specialist in a specific support HR function with limited experience (HR assistant, junior recruiter etc.);
- 2) Middle – experienced HR generalist or a senior specialist;
- 3) Executive - senior HR position, managing whole range of HR functions in the organizations.

For semi-structured interview stage in order to obtain more rich-data information and for more comprehensive survey procedure executive level was selected (5 managers). It was essential that selected respondents could provide the concrete personal examples or opinions in the sphere of applying HR competences relevant for company's internationalization. Based on the results of preliminary stage the overall set of questionnaire questions was formulated.

2.5. Research instruments

2.5.1. Semi-structured interviews

As it was mentioned above series of semi-structured interviews were conducted in order to make a preliminary preparation for the survey stage. These interviews are dedicated to answer the research questions:

- Do Russian companies involve HR managers in the realization of internationalization strategy of the firm?
- What are the HR competences facilitating internationalization process of Russian companies?
- What level of proficiency HR managers have for these competencies?

This stage was preparation to build balanced and thought-out questionnaire and clarify questions used in the survey. Open questions were formulated in order to collect relevant information. Overall 5 HR managers participated in the semi-structured interview from different industries.

Open interview questions were structured in a way to obtain behavioral patterns and examples of applying specific abilities during the internationalization process. The questions followed the logic of proposed SHRM competence model, covering 9 crucial competency domains in the context of HR actions regarding the internationalization process of the firm. They also referred to the outcome of actions that was applied by managers during the resolving concrete HR challenge. Moreover these questions allow evaluating the additional competencies or behavioral indicators that HR managers consider important and significant, but could be missed during the initial competence set composition.

Overall the concept of semi-structured interviews cover 5 blocks of questions:

- 1) Questions that define the individual assessment of the HR manager's involvement into internationalization process. This block of questions directly correlates with the 1 research question of the study.
- 2) Questions that define the list of HR competence, which respondent considers to be important in the context of firm' internationalization and the level of perceived proficiency. This set of questions is focused on the second and third research questions of the study.
- 3) Question block that defines the behavioral indicators or sub-competencies of particular

HR competency –correlates with the second research question of the study.

- 4) Final block of question was dedicated to the recommendation on defined competence improvement – this set correlates with the managerial implication part of the study.

Described interviews took place during the personal meeting, phone interview or with a usage of other technologies (video-call, Skype, etc.) Furthermore, in the process on interviewing the emphasis was made on recalling the case regarding in what circumstances specific HR competence was used and its importance for the internationalization. Overall the length of the interview is estimated to be around one hour.

As a result of semi-structured interviews several additional sub-competencies were added into existed HR competence domains. Additional behavioral competencies are:

- the ability to operatively provide HRM practices needed (trainings, mentoring) needed for a comprehensive business-decision making;
- ability to effectively build a network of contacts at all levels within the HR function and in the community, both internally and externally;
- managing the development of sufficient foreign language communication skills
- eliminating subordinate communication barriers
- promotion of HR practices both internally (e.g. ROI for HR initiatives) and externally (e.g.employer brand promotion).

2.5.2. Competence survey

The questionnaire used in research study contains closed questions with several answer options, dedicated to the competence identification and evaluation of their perceived importance for a Russian company going on foreign markets. The evaluated competence set was based on several HR competency models with an expanded set of sub-competencies that were considered important during the literature review analysis. Overall, the set of 44 HR competencies was defined and classified into 9 categories:

- 1) Competency: Relationship Management – The ability to manage interactions to provide service and to support the organization needs
Sub-competencies:
 - a) Seek opportunities for collaboration between the employer and employees in new market environment;
 - b) Building engaging relationships with all organizational stakeholders including foreign partners through trust, teamwork and direct communication;
 - c) Demonstrates ability to effectively build a network of contacts at all levels within the HR function and in the community, both internally and externally

- d) Promote approachability and openness between employer and employee relationships;
- e) Edits communications from senior management to employees and unions to ensure they are transparent and clear.

2) Competency: Consultation – the ability to provide guidance to organizational stakeholders.

Sub-competencies:

- a) guiding employees through specific job and career situation in internationalization context;
- b) research best practices to cope with related business problems and propose solutions based on them;
- c) consultation and coaching skills development.

3) Competency: Leadership & Navigation - The ability to direct and contribute to initiatives and processes within the organization.

Sub-competencies:

- a) establishment of collaboration among foreign stakeholders and team members;
- b) accounting of different parameters (organizational structure, policies) to provide the most effective task accomplishment;
- c) expressing strategic vision of the company and transfer it to employees;
- d) developing cooperation between team members on foreign market integration issues and inspire other to accomplish organizational goals;
- e) successful planning for high-potential individuals considering new opportunities
- f) coaching and mentoring skills on HRM internationalization challenges

4) Competency: Conflict Resolution– the ability to mitigate conflict situations and provide core values, integrity, and accountability throughout all organizational and business practices.

Sub-competencies:

- a) the operative responding to unethical behavior or conflicts occurring during entering foreign market;
- b) empowering employees to report unethical behavior and conflict without concerning about reprisals;
- c) personal bias recognition and preventing influence of bias in decision-making;
- d) establishment of multilateral communication so that all opinions could be accounted.

5) Competency: Business Acumen - The ability to understand and apply the information about context and dynamics of business to contribute to strategic goal achievement

Sub-competencies:

- a) understanding the strategic linkage between HRM practices and business functions performance in foreign circumstances;
- b) promotion of HR practices both internally (e.g. ROI for HR initiatives) and externally (e.g. employer brand promotion on foreign market);
- c) ensuring that HRM practices align with organizational strategic goals on foreign market

- integration;
- d) financial, political, legal savvy;
- e) evaluation of project success by time, scope, cost, and alignment with organizational goals;
- f) HR strategy development so that it could be adapted to various national contexts.

6) Competency: Critical Evaluation - the ability to select information that is relevant and useful to make business recommendations and support decision-making.

Sub-competencies:

- a) gathering relevant information from best practices, organizational stakeholders etc. to adapt to foreign environment;
- b) best practice transfer across organization;
- c) critical thinking and selection of received information in term of organizational success;
- d) identification of HR crucial indicators and metrics of outcomes.

7) Competency: Global and Cultural Effectiveness – the ability to assess and take into account the perspectives and interests of all parties in global business.

Sub-competencies:

- a) non-biased attitude to perspectives of other national and organizational cultures;
- b) the ability to operatively provide HRM practices needed (trainings, mentoring) needed for a comprehensive business-decision making
- c) implementation of global trends into HRM practices recruitment, talent development, trainings etc.);
- d) maintaining openness to others' ideas and making decisions based on experience, data, facts, and reasoned judgment.
- e) change management expertise

8) Competency: Communication - the ability to effectively exchange information with stakeholders.

Sub-competencies:

- a) providing concise clear information in different forms (written, oral) for various stakeholders including foreign partners;
- b) managing the development of sufficient foreign language communication skills
- c) ambiguity clarification;
- d) managing the provision of constructive feedback;
- e) ensuring the effective communication flows across organization and deliver of information
- f) eliminating subordinate communication barriers both with foreign partners and internal employees

9) Competency: HR Acumen – knowledge of principles, practices and functions of effective human resource management.

Sub-competencies

- a) Talent Acquisition & Retention expertise (e.g. expatriate attraction);
- b) Employee Engagement expertise;
- c) Learning & Development expertise;
- d) Total Rewards expertise;
- e) Recruitment and selection expertise.

Each question concerns the particular competence in two aspects – whether HR manager supposed this one as important for the company internationalization process and whether he or she possesses or used it in a particular case. Respondents also rated the importance of key behavioral indicators of this competence.

First indicator that was used in the questionnaire is rating of “Requirement upon Internationalization” and defined whether HR specialists actually applied the concrete sub-competence during the company’s internationalization or not. The rating is based on the 0-1 scale, where “0” refers to Not Required upon Internationalization and “1” refers to that HR manager applied this competence during this job experience while company was going through internationalization process.

The Importance Rating was measured with a help of Likert scale (from 1 to 7), where “1” corresponds with “Not Important” and defines that this competence/behavioral indicator is not required to effectively perform HR function and was not applied specifically during the firm’s internationalization; while “7” corresponds to “Critical Importance” and defines that this competence was crucial from the HR manager’s perspective for firm’s internationalization.

The Proficiency Rating was based on the Likert scale as well as shows the managerial proficiency in the context of a particular competence, where “1” corresponds with “Don’t possess” and means that HR manager don’t have any abilities, skills or knowledge in this area and requires job experience or trainings, while “7” corresponds with “Excellent proficiency” and means that HR manager is considered to be fully qualified in this area and job trainings or experience would not increase his or her proficiency. This scale was based on the previous academics work on competency model building (Drefus and Drefus, 1980; Benner, 1984) and also implemented in the different analyzed HR competency model.

Therefore the aim of this questionnaire was also to identify key HR competencies, their relevance for the internationalization process and the level of proficiency of respondents. The results will be interpreted and used for managerial applications in the recommendation part. The questionnaire was distributed via emails to those respondents who agreed to participate in the survey. Additionally the request to share the questionnaire with colleagues working in a relevant sphere was added.

CHAPTER III. ENPIRICAL RESULTS ANALYSIS

3.1. Justification of used tools

In order to analyze the results of the composed survey, the Excel tool was used to get basic statistics. To assess and describe Importance, Requirement upon Internationalization and Proficiency ratings the mean estimation for each competence was applied, since the size of the sample doesn't allow to use other descriptive statistical measures. The mean measurement was applied in order to define the most important competencies within the 9 competency domains.

Since for the questionnaire the Importance and Proficiency ratings were presented in the form of Likert-scale all the data received is presented in the numerical scale. The results received were analyzed by mean measurement - for instance $M=5.6$ indicates that respondents assessed the competence as important (5.6 on a 1-7 scale).

The sample structure is presented as follows:

Table 3.1. Sample structure

Cate gory	%
Career Level	
Early	1 1,9%
Midd le	4 7,6%
Execut ive	4 0,4%
Years as an HR professional	
<1 year	5 ,7%
1-5 years	2 1,4%

6-10 years	3 7.2%
11-25 years	3 3,2%
>25+	2 ,8%

It could be concluded that overall the HR professional representatives fall into the category of HR managers with sufficient job experience, which allows to conclude that they could show the significant level of competence proficiency and knowledge of all behavioral indicators stated.

3.2. HR competencies analysis

1) Competency: HR Acumen

The first competency domain analyzed was HR Expertise repertoires. The overall results for this competency are presented in the Table 3.2.1. Participants of the survey estimated the Importance of this competency domain as one of the highest in the sample (M=5,9). Additionally, almost all the respondents stated that they used this competency in their jobs in the context of firm's internationalization (92%). The Proficiency level of the competence is estimated as above average (M=5.56).

Table 3.2.1. HR Acumen: Competency Summary

Rating	M ean
Importance	M =5,9,
Proficiency	M =5.56,
Requirement	9 2%

Table 3.2.2. provides the data about detailed mean importance ratings of behavioral indicators or sub-competencies of HR Expertise domain. These indicators demonstrate the respondents' perception of relevance of particular areas of HR expertise for

internationalization purposes of the company. Although all practices rated as important and HR department (average mean 5,6), the most significant is presented by Recruitment and Selection expertise, which is consistent with the results of other research studies on topic of the HR policies peculiarities on the Russian market. The extent of proficiency is estimated as above average (M=5,7). The probable explanation of this could be refers to the fact that HR managers mostly involved in the process of internationalization in the terms of searching for new specialists with relevant knowledge or organizing appropriate trainings. The importance of the second sub-competence “Talent acquisition and retention”, which is also rated as important also supports this suggestion. However, during the semi-structures interview phase it was revealed that mostly the difficulties among HR managers in this section concern attraction of expatriates and talents retention after integrating into foreign market (Proficiency level 5.6). It could be concluded that more HR trainings are needed in order to strengthen employer brand.

Table 3.2.2. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Pr oficiency Mean
1. Talent Acquisition & Retention expertise	M=6,0;	M =5,6;
2. Employee Engagement expertise	M=5.6;	M =5,4
3. Learning & Development expertise	M=5.9;	M =5,7;
4. Total Rewards expertise	M=5,6;	M =5,4;
5. Recruitment and Selection expertise	M=6.4;	M =5,7;

Since the sample represents different HR roles with various job experience, the importance and necessity of a particular behavioral competence might also vary across different positions, therefore the separate analysis on a base of career level is presented:

Table 3.2.3. Result by Career Level

Ca	Imp	Requi
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Career Level	Importance Mean	Proficiency % Yes
Beginner	M=5,3;	86
Middle	M=5,9;	95
Executive	M=6,0;	95

These results demonstrate that the HR Acumen or HR Expertise is evaluated as highly important during the internationalization process by all level of HR specialists. Moreover, there is an almost absolute importance level assessed both by middle managers and executives (M=6,3 and 6,4) in comparison with junior level of HR manager; however, it might be explained by the fact, that latter are not involved into strategic decision-making and represent mostly functional area of competency.

2) Competency: Relationship Management

This competence refers to the ability of HR manager to control interactions and provide service and to support the organization. It is especially important in the circumstances of internationalization, since as a rule it correlates with ambiguity management and need for organizational change.

Overall results for the Relationship Management competency domain justify its value for HR practitioners. Although it's rated less than HR Acumen, the rating is still significantly high (M=5,8), moreover the Proficiency level shows that the majority of managers are experienced in application of this competence., however the results are lower in comparison with HR expertise (M=4,58). Hence it could be concluded that Relationship building skills are extremely important as they help to establish interaction with foreign environment, build effective network of foreign contacts to attract new partners and employees, although the certain improvement measures should be undertaken on all HR career levels.

Table 3.2.4. Relationship Management: Competency Summary

Rating	M ean
Importance	M =5,8,
Proficiency	M

	=4.58
Requirement	7 9%

The analysis of the behavioral sub-competencies allows defining the crucial aspects of HR activity that affect firm's internationalization success. The most significant abilities applicable by HR manager in the internationalization aspect are building engaging relationships with all stakeholders and establishment of useful network of different contacts including foreign colleagues and partners. Moreover, the responsibility of HR professional to provide approachability of senior manager for employee is also considered as essential one. These results partly correspond with results of other HR competence studies, although the generic evaluation assessed the interaction credibility to higher extent.

Table 3.2.5. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. Seek opportunities for collaboration between the employer and employees in new market environment;	M =5,9;	M =4,4;
2. Building engaging relationships with all organizational stakeholders including foreign partners through trust, teamwork and direct communication;	M =5.5;	M =4,3
3. Demonstrates ability to effectively build a network of contacts at all levels within the HR function and in the community, both internally and externally	M =5.6;	M =4,8;
4. Promote approachability and openness between employer and employee relationships;	M =5,7;	M =4,7;
5. Edits communications from senior management to employees and unions to ensure they are transparent and clear.	M =5.9;	M =4,7;

The career level classification demonstrates gradual increase of competence proficiency, nevertheless, junior level (30%) possesses this competence in much lesser degree than middle and executive (94%) for Relationship management. As far as the Relationship or the network building competence is considered be one of the most

important both in this research and in other studies presented in the literature review, the quite average level of proficiency for this competency domain must be considered by managers for further improvement. The possible directions may include trainings on the topics of: 1) establishing credibility in all interactions, 2) building engaging relationships with all organizational stakeholders through trust, teamwork, and direct communication, 3) demonstrating the ability to effectively build a network of contacts at all levels within HR and the community, internally and externally, 5) serving as an employee advocate when appropriate, 6) fostering effective teambuilding among stakeholders.

Table 3.2.6. Result by Career Level

Car eer Level	Im portance Mean (SD)	R equi reme nt % Yes
Earl y	M =5,3;	3 0
Mid dle	M =5.7;	7 1
Exe cutive	M =6,1;	9 4

3) Competency: Consultation

Consultation competence defines the ability of HR manager to guidance to organizational stakeholders. However, in the context of entering new market it mostly refers to the to provide information to senior management about expected changes staffing, trainings, talent development etc. along with HR budget allocation. Nevertheless regardless the justified importance by researches in different studies in the context of Russian environment the Consultation skills showed one of the weakest results and, therefore, the significance for local managers. The importance level estimated below the average (M=3,3), as well as the Proficiency and requirement ratings (M=3,4 and 49%)

Table 3.2.7. Consultation: Competency Summary

Rating	M ean

Importance	M =3,43,
Proficiency	M =3,5,
Requirement	4 9%

The analysis of behavioral sub-competencies supported the idea that in general HR managers in emerging markets possess less international experience and practices to consult management for effective decision-making, concentrating mostly on functional area. However, the integration in the international environment might facilitate the development of this competency domain in the future.

Table 3.2.8. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	I mport ance Mean	P roficie ncy Mean
1. Guiding employees through specific job and career situation in internationalization context;	M =3,9;	M =3,8;
2. Research best practices to cope with related business problems and propose solutions based on them;	M =3,1;	M =3,2
3. Consultation and coaching skills development	M =4,2;	M =3,5;

The career level classification demonstrates the lack of mentioned skill on the level of junior managers and is presented by sufficient extent (74%) only HR executives. This tendency is opposite to that of developed markets, where both senior (89%) and executive management (91%) levels require and effectively applies this function (SHRM report). Furthermore such a behavioral pattern as guiding the employees through specific job situation is the only one that has almost the same significance for Russian managers in comparison with global study (around 3,9-4), however, that doesn't change the overall perception of this particular domain.

Table 3.2.9. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Entry	M=3,5;	0
Middle	M=3,7;	25
Executive	M=3,7;	74

4) Competency: Leadership and Navigation

The next HR competence defines the ability to direct and contribute to initiatives and processes within the organization. In the context of Russian business environment HR managers fully understand the necessity to invest in leadership development because leaders present the major channel of knowledge transfer (M=5,4). Moreover based on the semi-structured interview answers in some companies individual leaders initiated and managed the process of internationalization from the very beginning. However, even if the perceptive importance rating is significantly high, few respondents point out the high individual proficiency in this area, except for disseminating the strategic vision and successful planning. Moreover, the low level of job experience of junior managers also undermines such a result, however, it's the general trend for all competency domains in Russian companies.

Table 3.2.10. Leadership and Navigation: Competency Summary

Rating	Mean
Importance	M=5,46,
Proficiency	M=4,6
Requirement	4 3%

Table 3.2.11. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. establishment of collaboration among foreign stakeholders and team members;	M=5,2;	M=3,9;
2. accounting of different parameters (organizational structure, policies) to provide the most effective task accomplishment;	M=5,2;	M=4,8
3. expressing strategic vision of the company and transfer it to employees;	M=5,4;	M=5,3;
4. developing cooperation between team members on foreign market integration issues and inspire other to accomplish organizational goals;	M=5,6;	M=4,2;
5. successful planning for high-potential individuals considering new opportunities	M=6;	M=5;
6. coaching and mentoring skills on HRM internationalization challenges	M=5,4;	M=4,4;

Concerning the behavioral indicators the successful planning for potentials and help to establish cooperation is considered as the most essential (M=6) in this competence domain, as it was mentioned before, the overall evaluation of possession this ability is quite moderate among responders, which could be explained by the peculiarities of Russian HRM.

Table 3.2.12. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Entry	M=5,5;	0
Middle	M=5,9;	5
Executive	M=6,1;	8

5) Competency: Communications

As ability to effectively exchange information with stakeholders it has a crucial meaning in the context of complex international environment, when the operative managerial reaction of various factor is a key success indicator.

According to received results the overwhelming majority of respondents estimated the importance of this factor as one of the highest (M=5,91), along with level of requirement possession and HR proficiency (M=5,01) From the point of view of Russian HR specialist the repertoires of that domain has a crucial influence on company's success. Among the most important behavioral indicators engaging productive conversations (constructive feedback) with stakeholders looking for HR's services (e.g., "Provides constructive feedback effectively" and "ensuring clear and transparent communication among organizational stakeholders"). Nevertheless based on the results of semi-structured interview an additional point as "managing the development of sufficient foreign language communication skills" was added, as a result this sub-competence has the highest rating among others (M=6,4), which proves the lack of sufficient foreign language skill among senior managers and the analyzed popularity of foreign language trainings provision for top management in the companies going through the internationalization process, additional efforts of HR managers to eliminate his gap with a help of trainings, external resources etc.

The positive tendency of the valuation of this domain could be observed on the all career levels, while still the senior and executive possess greater experience and, therefore, to grated extent understands the importance of communication issue, both internal and external, during the internationalization process. However this requirement covers all levels, so it is suggested that HR professionals will develop this competency throughout their careers.

Table 3.2.13. Communications: Competency Summary

Rating	M ean
Importance	M =5,91,
Proficiency	M =5,01,
Requirement	8 7%

Table 3.2.14. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. providing concise clear information in different forms (written, oral) for various stakeholders including foreign partners;	M=5,9;	M=5,1;
2. managing the development of sufficient foreign language communication skills	M=6.4;	M=4,8
3. ambiguity clarification;	M=5.8;	M=5;
4. managing the provision of constructive feedback;	M=6.1;	M=5,5;
5. ensuring the effective communication flows across organization and deliver of information	M=5,9;	M=5;
6. eliminating subordinate communication barriers both with foreign partners and internal employees	M=5.4;	M=4,7;

Table 3.2.15. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Entry	M=5,3	65
Middle	M=6,1;	78
Executive	M=6,3;	97

6) Competency: Global and Cultural Effectiveness

HR managers' ability to analyze environment through different perspectives and interest in the context of firm's international collaboration supposed to be another crucial competence. However, general SHRM report proves that this competence is one the least valuable for HR practitioners, in combination with quite high SD factor (0,76), which refers to the high level of disagreement among responders, while the majority of research studies of different authors claim the crucial role of it. In contrast, in the context of internationalization the Russian managers demonstrate different perception – the overall valuation of competency importance is above average (M=5,1), additionally managers also report on the quite high level of requirements of those skills for managers (only in the context of firm's internationalization – this is the reason of results difference between this research and SHRM with its universalist approach). The proficiency level stays quite moderate (M=4,81). Nevertheless the overall level of requirement is quite low – it might be suggested that global effectiveness need is covered with the relationship building competence in the context of the internationalization and which, therefore, has a higher Importance rating.

Table 3.2.16. Global and Cultural Effectiveness: Competency Summary

Rating	Mean
Importance	M=5,1,
Proficiency	M=4.81,
Requirement	56%

Table 3.2.17. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. non-biased attitude to perspectives of other national and organizational cultures;	M=4,9;	M=4,7;
2. the ability to operatively provide HRM practices needed (trainings, mentoring) needed for a comprehensive business-decision making	M=6.1;	M=4,8
3. implementation of global trends into HRM practices recruitment, talent development, trainings etc.);	M=5.4;	M=5;

4. maintaining openness to others' ideas and making decisions based on experience, data, facts, and reasoned judgment.	M=5.1;	M=5,5;
5. change management expertise	M=4,5;	M=4,7;
6. non-biased attitude to perspectives of other national and organizational cultures;	M=4.9;	M=4,2;

Table 3.2.18. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Early	M=4,3;	25
Middle	M=4,8;	78
Executive	M=5;	82

7) Competency: Conflict Resolution

This domain refers to the ability to mitigate conflict situations and provide core values, integrity, and accountability throughout all organizational and business practices. Since this competence is analyzed in the context of emerging markets, the attitude of Russian managers proved to be different from the global scope of respondents. During the semi-structured interview stage HR experts confirmed the stressful nature of internationalization process both for the employer and employees, however, the issue of mitigation in most of the cases was out of the HR field of responsibilities

Nevertheless the results of the survey correspond with those made by other empirical studies however, it is not the most crucial competency domain in the HR repertoires (M=4,8). Simultaneously the majority of managers assessed the individual proficiency of this competence of a moderate level (M=4,55). The most significant behavioral indicators of this domain are “empowering employees to report unethical behavior and conflict without concerning about reprisals” (M=5,1) and “the operative responding to unethical behavior or conflicts occurring during entering foreign market” (M=5,4). Overall this result could be explained by the selective nature of the HR department attraction to the conflict resolution in the companies – while the

problem of the effective feedback still have concern, mostly conflicts are resolved between employer and employee directly, although HR managers showed the sufficient proficiency level for this competency domain.

Table 3.2.19. Conflict resolution: Competency Summary

Rating	Mean
Importance	M=4,8
Proficiency	M=4.55
Requirement	78%

Table 3.2.20. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. the operative responding to unethical behavior or conflicts occurring during entering foreign market;	M=5,4;	M=5;
2. empowering employees to report unethical behavior and conflict without concerning about reprisals;	M=5.1;	M=4,8
3. personal bias recognition and preventing influence of bias in decision-making;	M=4.3;	M=4;
4. establishments of multilateral communication so that all opinions could be accounted	M=4.5	M=4,4

Table 3.2.21. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Early	M=4,1;	30
Middle	M=4.7;	78
Executive	M=5,3;	86

8) Competency: Business Acumen

This competence domain covers the strategic part of HRM practices and their contribution to the organizational goals achievement due to understanding and implementation of business context and dynamics information. Overall, this competency domain was rated as important for the HR manager effective performance (M=5), but the proficiency level and the requirement of this knowledge and skills set is estimated quite average (M=4,31, 46% of requirement). The only group that acknowledges the importance and possession of behavioral sub-competencies proposed was executive career level, while the rest of responders didn't perform mentioned abilities to the full extent. The results correspond with general SHRM study since global scope of responders didn't suggest that this competency is essential for all levels of HRM. This results also do not prove the main focus of current HR competency models studies that put this domain as one of the most important for managers, however, probably the peculiarities of Russian environment regarding the HRM affected such results. Nevertheless the low assessment on the early levels showed that new HR managers do not have the business perspective of HRM, which could be crucial for future company's development, therefore starting from the beginner positions the strategic vision of the HR function must be transferred.

The only exception out of the pull of behavioral indicators is the HR practices promotion (e.g. employer brand promotion), but it is not fully correlated with other issues like financial or political savvy, project management etc.

Table 3.2.22. Business Acumen: Competency Summary

Rating	Mean
Importance	M=5,
Proficiency	M=4.31,
Requirement	46%

Table 3.2.23. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. understanding the strategic linkage	M=4,5;	M=4.3;

between HRM practices and business functions performance in foreign circumstances;		
2. promotion of HR practices both internally (e.g. ROI for HR initiatives) and externally (e.g. employer brand promotion on foreign market);	M=6.1;	M=4,8
3. ensuring that HRM practices align with organizational strategic goals on foreign market integration;	M=5.5;	M=4;
4. financial, political, legal savvy;	M=3.9.	M=4,4;
5. evaluation of project success by time, scope, cost, and alignment with organizational goals;	M=4.5.	M=4,4;
6. HR strategy development so that it could be adapted to various national contexts.	M=5.5;	M=4;

Table 3.2.24. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Early	M=4,1;	0
Middle	M=4.7;	32
Executive	M=5,9;	72

9) Competency: Critical Evaluation

The last competency domain evaluated is the ability to evaluate and select relevant information and use it for business decision-making. In the context of the internationalization it's more about gathering the relevant information concerning HRM practices to adapt to new business environment. Nevertheless the survey among Russian companies revealed that HR managers although admit the relevant importance of this competence domain (M=4,95), there are no empirical evidence of active application and sufficient proficiency (M=4,6) in this field. Apparently the need for the effective performance in the field of classic set of HRM practices is more essential for business in Russian companies.

Table 3.2.25. Critical Evaluation: Competency Summary

Rating	Mean
Importance	M=4,95,
Proficiency	M=4.67,
Requirement	54%

Table 3.2.26. Mean Ratings of Most Important Mini-Competency Items

Key Behavioral Indicators	Importance Mean	Proficiency Mean
1. gathering relevant information from best practices, organizational stakeholders etc. to adapt to foreign environment;	M=5,1;	M=4.6;
2. best practice transfer across organization;	M=4.6;	M=4,8
3. critical thinking and selection of received information in term of organizational success;	M=4.9;	M=4,7;
4. identification of HR crucial indicators and metrics of outcomes.	M=5.2.;	M=4,6;

Table 3.2.27. Result by Career Level

Career Level	Importance Mean	Requirement % Yes
Early	M=4,1;	15
Middle	M=4.7;	32
Executive	M=5,9;	73

3.3. Research findings and Discussions

The primary purpose of this study was to fill the gap in context-related understanding of HR

manager competencies – in particular, to define a set of essential HR competencies that are considered as important for the company during the internationalization process. The example of Russian companies operating in emerging market environments and going through expansion was taken with the analysis of HRM role and needful competencies of HR managers.

To achieve this goal the study was supposed to answer 3 research questions:

- Do Russian companies involve HR managers in the realization of internationalization strategy of the firm?
- What are the HR competences facilitating internationalization process of Russian companies?
- What level of proficiency HR managers have for these competencies?

For this purpose the primary literature analysis was done to discover research gap in the area of HR competencies. The review showed that among researches dominates the universalist approach, while it is unclear how external business factors or internal organizational would influence the importance of particular HR repertoires. Therefore existing comprehensive HR competence models were observed so to extract the set of particular competency domains and behavioral indicators that under the influence of the internationalization conditions and the requirement to apply distinctive HRM practices could be defined as crucial for effective HR manager performance. Overall the pull of 44 competencies were determined and divided into 9 groups.

The survey among HR managers from Russian companies that went through the process of the internationalization demonstrated that from their point of view the most important competency domains are:

1) Communication competence domain proved to be the most important (M=5,91) and applied ability that is required from the all career levels of HR specialists. This domain is one that have the key role for HR managers in the internationalization process and quite well-established among managers (M=5,01). Effective communication is essential for knowledge transfer, understanding the purposes and value of changes by employees. The distinctive feature of Russian HR managers perceptions that foreign communication skills proved to be the most significant of all other factors that influence company's performance. They stimulated the additional financing in the development of this learning area since the company starting to participate in the international cooperation procedures. Furthermore effective communication channels (both external and internal) stimulate the employee initiatives and mitigate the stress consequences of entering of new market.

The most distinctive behavioral sub-competencies are:

- a. Managing the development of sufficient foreign language communication skills;
- b. Managing the provision of constructive feedback;
- c. Ensuring the effective communication flows across organization and deliver of

information;

2) HR Acumen domain is also proved to be the most important set of competencies (M=5,56). Consistent with previous reviews, the main area of HR specialist proficiency (M=5,7) as recruitment and managing learning across organization that has direct impact on firms' internationalization performance. Moreover, all HR role positions showed the high level of involvement and proficiency, which is also supported the core value of this competency domain for business. It might be explained that currently Russian companies are more focused on the selection of young employees with open global mindset, rather than on the older specialist with more significant experience, but less flexible to changing global environment, which is essential in the context of company's internationalization:

- a. Recruitment and Selection expertise;
- b. Learning & Development expertise;

3) Relationship Management is the next discovered set of the crucial HR manager abilities, knowledge and skills that was assessed by Russian HR professionals as highly valued during firm's internationalization (M=5,8). This point coincide with the similar research study among top-managers in Russian market, however, the HR repertoires implies the managing internal management approachability to clarify ambiguous environment during company's integration on the foreign market. Therefore it is the core issue that might be taken into account by all levels of management. As it was mentioned previously the challenging environment that occurred in the organization under the expansion conditions demand from HR managers certain actions – the maintaining of positive informal relationships promote created job satisfaction, personnel involvement, team building and create the more supportive image of the organization, which helps to retain and develop high potentials in the new international perspective which is also was proved during this research. However, the analysis of the proficiency level demonstrated that sufficient investment in the HR managers trainings are required in order to improve the network building skills among Russian HR manager, mostly on the middle and executive levels, since the beginners are not actively involved yet in this process. The most required sub-competencies one are:

- a. Demonstrates ability to effectively build a network of contacts at all levels within the HR function and in the community, both internally and externally;
- b. Promote approachability and openness between employer and employee relationships.

4) Leadership and Navigation. The last distinctive competence set concerns the Leadership and Navigation domain (M=5,46). As it was mentioned leader in the organization serves

as a transfer of knowledge and the most effective practices, therefore active development of talents is crucial for the operative knowledge diffusion across the organization. The survey proved that Russian HR managers perceive the strategic importance of these repertoires, nevertheless reported proficiency level remains quite moderate and requires further development:

- a. Establishment of collaboration among foreign stakeholders and team members

Even if other domain overall showed smaller importance in the perspective of HR managers working on Russian market, for instance, the Consultation option demonstrated the weakest rating among other, there are still several separate behavioral indicators that received higher score in comparison with other in the same set:

1. Ability to operatively provide HRM practices needed (trainings, mentoring) needed for a comprehensive business-decision making (M=6,1)
2. Promotion of HR practices both internally (e.g. ROI for HR initiatives) and externally (e.g. employer brand promotion on foreign market); (M=6,1)

Therefore they might be considered separately for further areas of development.

The great difference is demonstrated in comparison with promote set of required competencies for HR professionals: the focus of Strategic Partner repertoire or Business Acumen proved to be less important in the context of this specific situation, which justify the necessity to shift from the universalist approach to more context-related for more comprehensive and relevant recommendations. However, the involvement of HR managers so that they could have the strategic business vision of the HRM, starting from the beginner career levels is essential to cope with future challenges and must be taken into account by HR practitioners.

The weakest points of HR competency profile in term of qualities required by company for the successful expansion are that behavioral indicators that received the lowest scores of HR proficiency on all career level including senior and executive:

- a) Research best practices to cope with related business problems and propose solutions based on them (M=3,2)
- b) Accounting of different parameters (organizational structure, policies) to provide the most effective task accomplishment (M=3,3).

The findings point that depending on the environment (market, firm strategic focus, etc.) there is possible shift to more functional rather than strategic competencies, that perceived as more important and required in a particular situation in the case of this study – during the internationalization process, in which company is being involved.

3.4. Managerial implications

This research paper is dedicated to the identification of the most important HR managers' competencies that could play the crucial role from their point of view as company goes through the internationalization process. The context of Russian companies was observed. Although there are several comprehensive HR competency models presented in the literature, however, in the specific context like emerging markets conditions or participation of the company in the internationalization they is a lack of empirical research studies done.

Hence while the HR competence models presented in the literature review section tend to evaluate the overall scope of HR repertoire requirements (more than 200 different behavioral indicators proposed by different models), there is an ambiguity for a particular company, which competency domains must be developed for a particular career level or for a specific business strategy move to support and align with organizational goals.

The managerial application of this study implies that importance of competencies required for the HR manager effective performance when company enters foreign market differs from the classic set of HR competency domains such as (Strategic positioner, Credible activist, Capability builder, Change champion, HR innovator and integrator, Technology proponent). Moreover, the Strategic Partner focus appeared to be less required in comparison with initial repertoire as Communication builder or HR Acumen.

Hence, business general management could concentrate its attention on a particular field of HR managers' competencies – Communication domain, Relationship building, HR acumen and Leadership and Navigation that are assessed to be the most important in comparison with others. Moreover the specific importance of detailed competencies as “Managing the development of sufficient foreign language communication skills” or “Promotion approachability and openness between employer and employee relationships” are highlighted.

This HR competency profile with highlighted important behavioral sub-competencies could be used by top-management in order to improve the process of HR specialist development and selection process, especially if the company's planning to expand its operations of foreign market and requires complex HR support to mitigate possible challenges. Moreover, manager could also apply this framework for measurement of individual characteristics, since the competency domains required for HR manager reflect the needs of the whole organization.

The behavioral competence evaluation done presents not only the level of importance estimated, but also the level of HR manager proficiency on different levels with emphasis of strongest and weakest points. Therefore, HR senior managers and specialist could apply this model in order to reveal and fulfill the gaps in repertoires and reassess the requirements for HR manager

regarding the particular career level. Furthermore, the same approach could be applied to the selection of managers based on the competency interview to evaluate the needed skills, knowledge and abilities in the context of organizational needs to internalize.

Finally, the probable HRM challenges (such as talent retention skills, building contact networks, improving foreign communication skills etc.) might be considered in advance so that if the company decided to expand their operation on the foreign markets, the HR professional could evaluate areas of future development, risk, recourses needed etc. Although the overall cope of HRM challenges in global environment for emerging markets is represented in literature, the current research allows focusing on the concrete areas and proposes more detailed and context-specific approach.

3.5. Limitations and recommendations for future research

Although the findings of this study represent both theoretical and practical implications, there are several limitation that should be addressed in the future research.

First, findings are based only on the responses of HR managers, which could lead to the distorted perspective – according to the literature review, HR practitioners might disagree on the question of competence importance and have different perception on proficiency level. Moreover, the view of line and senior managers in other departments might have also various perception on the topic of HR proficiency level and how HRM practices should align with organizational strategy. Therefore, in order to provide more complex view the involvement of different stakeholders (e.g. employees, line managers) for future research is required.

Second, the sample of HR respondents is small and located only in one country-representative of emerging market. The problem of opinion difference could be mitigated due to the usage of Standard deviation to assess the level of disagreement among survey participants, however, the sample size do not allow the application of this metric.

Third, the sample selection didn't take into account the other contextual factors as industry or public/private sectors, the product peculiarities (like life cycle of extent of adaptability to foreign market conditions), entry mode type etc. For instance, there might be greater importance of operational activities of HR department than strategic involvement in public companies, which will consequently eliminate several factors out of the proposed framework. Hence the further context-specific approach to research design could be applied.

Finally the influence of HR competence on company's internationalization success demands the application of the objective performance measures beside the personal evaluation and judgment of HR specialists. The elaboration of relevant measures will significantly contribute to the validity of similar research studies in the future.

3.6. Original contribution to the knowledge

The findings represented in this paper make certain contribution to the current understanding of HR manager competence profile. First of all, as it was mentioned in the literature review section researches notice the gradual shift from composing of universal one-size-fits-all approach to being the more contexts specific situationalist approach. Nevertheless the determination and accounting the business specifics and stakeholder interests allows HR practitioners aligning to the greater extent in order to improve organizational performance. This work demonstrates that there is a shift of competence importance in comparison with more universal models in the context of company's internationalization. This could provide understanding of these differences, which, in turn, might lead to more precise factors evaluation that could be crucial depending in the context. Second, this study shows that the popular perception of HR specialist as Strategic partner with a certain Business Acumen competencies requirements should be framed with context, while corresponding repertoires might appeared to be less relevant to the organizational goals. Therefore, these findings offer a more nuanced approach and advocate the need for the future research in the field of context-related HR competencies.

CONCLUSION

This master thesis research goal is to identify and analyze the set of HR competencies that are important for the company during internationalization process. Different aspects were investigated in order to achieve this purpose – involvement of the HR managers in the process of internationalization, which competencies HR managers in Russia consider as important for it and the level of level of proficiency HR managers have for these competencies.

For competencies evaluation the survey approach was chosen. The empirical research part consisted of series of semi-structured interviews and the survey, which represents the evaluation of proposed set of competency domains with specified behavioral indicators with a help of Likert-scale.

The questionnaire consisted of 44 competence items grouped into 9 domains. Received data

was analyzed and 10 HR competencies were distinguished as particularly important for the HR manager that participate in the process of entering foreign market:

- 1) Managing the development of sufficient foreign language communication skills;
- 2) Managing the provision of constructive feedback;
- 3) Ensuring the effective communication flows across organization and deliver of information;
- 4) Recruitment and Selection expertise;
- 5) Learning & Development expertise;
- 6) Demonstrates ability to effectively build a network of contacts at all levels within the HR function and in the community, both internally and externally;
- 7) Promote approachability and openness between employer and employee relationships;
- 8) Establishment of collaboration among foreign stakeholders and team members
- 9) Ability to operatively provide HRM practices needed (trainings, mentoring) needed for a comprehensive business-decision making
- 10) Promotion of HR practices both internally (e.g. ROI for HR initiatives) and externally (e.g. employer brand promotion on foreign market)

The proposed competences contributed to the situationalist approach since these findings extending the generic universalist framework and recorded competence importance shift from the point of view of HR managers.

Further research that involves greater number of stakeholders to provide more comprehensive view, along with the investigation of other industry or firm specific factors influence on the competence profile of HR manager could be done.

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