Managing Human Resources in Latin America is a collection of contributions of 25 authors on human resource management systems and practices in all major countries in Latin and Central America. This book emphasizes the importance of addressing the national culture and context-specific issues of the region to encourage multiculturalism and a planned implementation of HRM methods, as well as aligning organizational systems and practices. In addition, the role of multinational corporations in implementing locally conscious HR practices is stressed to help organizations draw maximum advantage from a multicultural, diverse workforce.

The book is written with the aim of further advancing the importance of human resources as a source of competitive advantage and the strategic role of HRM in managing businesses successfully in a region that has initiated a process of economic opening and a democratization of societies and institutions. In that sense, the chapters are divided into two main sections covering the major aspects of HRM in Latin and Central America. The first section comprises four chapters that provide a framework to identify and understand commonalities and differences in terms of HRM practices and values among Latin American countries. The second part introduces the institutional, political, and strategic context for HRM in eight Latin American countries, Central America, and Panama.

The first section of the book provides an introduction to the cross-national context for HRM and discusses the strategic roles that national culture, business environment, social capital, and leadership styles play in forging a distinctive HRM in Latin America. The choice of these topic areas is quite fitting, as they represent four leading management challenges with the potential to have considerable influence on the success of the HRM function.

This section begins with a basic chapter on the positive and negative aspects of national culture dimensions and on the rules of HRM governing employment relationships, using the work of Hofstede as a reference point. In Chapter 2, Casanova provides a brief account of the macroeconomic context for business and workforce development in Latin America over the last ten years and discusses the consequences of the economic reforms in the region for the formulation of HRM policies. The author also provides an overview of several key structural changes in the labor market as a result of the political and economic developments.

Chapter 3 focuses on the formation of social capital in multinational corporations (MNCs). In this chapter, Gomez and Sanchez contend that a system of HR cul-
ally congruent practices should be established when building social capital through HRM systems. One limitation of this chapter is that it does not provide great detail on the types of community and social capital organizations can mobilize. However, it does suggest that organizations would serve employees best by providing HRM practices tailored to their specific needs of social capital. The author ends the section by discussing existing literature on paternalism and leadership styles. Although her analysis is primarily an exploration of the perceptions of Mexican leaders in U.S. firms, the author argues that her leadership analysis applies to any country across Latin America and emphasizes that paternalism might be positively related to employee job attitudes and performance in Latin America.

The second section of the book addresses HRM systems at the national level. Countries selected include the following: Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Honduras, El Salvador, Nicaragua, Mexico, Panama, Peru, Uruguay, and Venezuela. Caribbean countries, Bolivia, Ecuador, and Paraguay were excluded from the analysis due to the authors’ inability to obtain contributions within the time required. Each chapter provides specific information on the current status, development, and challenges ahead for HRM in selected countries.

In Chapter 5, Figueiredo starts by presenting an interesting economic summary of Argentina and argues that the HR function in the country has evolved from a personnel department to a strategic HR function in the last decade. The author discusses the role of various professional HR associations and their impact on HRM in Argentina and concludes by noting that change and cultural management will become a business priority in the country.

Chapter 6 addresses the critical issues for people management in Brazil. Tanure discusses the HR issues relevant to Brazil, such as outsourcing, development, and retention of talent. The chapter takes a prescriptive/descriptive orientation documenting activities that organizations should do to transform their HR functions into strategic business partners. She also provides an extensive account of HR resources that make implementing those activities reasonable.

In Chapter 7, Osland and Osland present the evolution and development of the labor force, labor relations and HRM in Central America and Panama. The authors draw on interviews carried out with a small set of senior managers and HR scholars to portray the history of HR practices in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. The authors document HR practices in the several countries, mainly through examples of foreign MNCs with a significant presence in various countries. They conclude that the establishment of HR practices in the region has followed from the region’s internationalization and the establishment of HR practices by MNCs.

In Chapter 8, Rodriguez, Rios, de Solminihac, and Rosene explore the history and current developments of HRM in Chile. The authors note that modern Chilean firms exhibit similar HRM practices to those observed in countries with developed economies. They contend that the transformation of HRM and the professionalization of the HR function are made manifest in processes of privatization of social security, flexibility in labor relations, and an increasing interest in HR practices, such as linking wage and salary administration to increases in productivity. These changes, the authors believe, have a direct bearing on organizations’ ability to maintain employee trust and ensure collaborative and cooperative outcomes required for the optimal functioning of Chilean organizations.

In Chapter 9, Ogliastri, Ruiz, and Martinez provide an overview of the diversity of HRM in Colombia. The authors describe the diversity of HRM systems as the result of differences between small and medium-sized firms and large corporations, such as MNCs. Moreover, they argue that HR managers in Colombia act mainly as administrative specialists rather than strategic business partners.

In Chapter 10, Arias-Galicia provides an executive brief on HRM in Mexico. In doing so, he links HRM development with his per-
sonal experience with Mexico’s historical language, legal, and economic roots. Unlike most previous chapters of the book, however, Arias-Garcia has a specific reader in mind—namely, international executives working in Mexico. The author reviews a wide range of HR practices under the umbrella of the Mexican cultural values and labor law underlying management.

In Chapter 11, Sully de Luque and Arbaiza focus on labor markets and HR practices in Peru. Their distinction between formal and informal economy is very helpful in setting the context for the discussion on HRM practices in Peru. The authors discuss the role of implicit social contracts and their impact on HRM in Peru and conclude by noting that given the relative scarcity of leadership talent, succession management will become an HR priority in the country.

Labadie’s contribution on HRM in Uruguay (Chapter 12) emphasizes the need for systematic empirical research on HR issues in Uruguay. The author focuses on the impact of labor relations and the changing role of unions on HR policies and practices in Uruguay. Labadie argues that new generations of HR managers can introduce modern HR practices in Uruguayan firms, as well as inject flexibility and innovation into labor relations.

In Chapter 13, Gomez-Samper and Monteferrante examine the positive and negative aspects of management culture in Venezuelan organizations. A figure on p. 226 provides a helpful example of how HR departments in Venezuelan organizations have to cope with a lack of trust and confidence in the job of their HR managers. The authors further discuss changes in the role of HR professionals, labor reforms, and reflections on current HR practices in Venezuela.

In the final chapter, Elvira and Davila present a set of challenges for HR managers in Latin America. The authors lay out the framework and agenda for HRM academic research in the future. The editors note that research in Latin America should apply a strategic human resource management paradigm that considers the context of the cultural antecedents of HRM in Latin America.

In the context of changes taking place in most Latin American countries, the challenge is to make HRM a strategic partner in organizations. Along with the information at the national level provided in the chapters, the book provides specific cases of successful organizations that have taken into account context-specific issues of the region in order to develop strong, strategic HR functions. Although the majority of examples come from practices of subsidiaries of foreign MNCs, several local firms, such as Embraer, the Brazilian aircraft manufacturer, and the Mexican cement maker Cemex serve as examples of a new generation of Latin American firms. However, a more specific review of HRM policies and practices at the company level would have reinforced the argument made in the first four chapters that claim a Latin American HRM model. Despite these omissions, this book should prove to be a useful reference for many human resources professionals, as well as academics and students seeking an overview of this field in Latin America.

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