

## **Research on the Relationship between Localization Strategic Human Resource Management Practices and Firm Performance: A Comparison of Japanese Multinational Enterprise Subsidiaries in Vietnam**

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**Abstract :** Firstly, based on two diamond models and Value-Rarity-Inimitability-Organization framework, this paper analyzes the Country Specific factors of and firm specific factors which influence subsidiaries' sustainable competitive advantage. Then, according to the main content of Strategic Human Resource Management (SHRM) research that HRM strategy should fit into corporate strategy, we explained what the SHRM practices should be in the context of localization strategies within Multinational Enterprise (MNE) companies. Then we choose two Japanese MNE subsidiaries in the same industry and tested the hypothesis that localization SHRM practices positively impact on subsidiary's sustainable competitive advantage, further positively affect firm integrated performance (both financial performance and organizational and organizational performance) lever through High Performance Work Practices (HPWPs) of local employees.

**Keywords :** localization SHRM, firm integrated performance, Japanese MNE subsidiaries, Vietnam

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