International Human Resources Management

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Some references

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Iribarne (d'), Ph., *Cultures et mondialisation*, Paris, Seuil, 1998.

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Concept

- Theories

- Examples
- Cases
- Experiences

Examples

- Sanofi-Aventis : merger and acquisition
- Renault-Nissan : alliance
- McKinsey : transnational organisation
- Novartis : transnational and multinational organisation
- Siemens : RH Developpement
- Bayer : Communication
- ABB and BASF : Complex structures
- Airlines : alliances
- Club Med : internationalistion and consequences for the RH

Plan

Context

Typologies

Cultures

Expatriation

Introduction

The context

Environment

Organisation

International management : change management

4 variables:
Culture, behavior, strategy, structure

The environment

Institutions
Europe: UE
America: NAFTA, MERCOSUR,
Asia/Pacific: APEC, ASEAN
Africa: OAU
UNO, OECD, WTO…

Values and norms
National / local / Subcultural
Quality norms

Juridical

Infrastructure

Political and financial situation
Stability

Languages
Dialectes
Prononciation
Writen/spoken

Religion

Education system

National institutions
Roles, importance

Geography
Climat...

Markets

Consumers, distribution, competition

Raw materials

Labour market

Production places, R&D places

Financials markets

GDP

Per inhabitant

Repartition

Population

Age, Nomber, fecondity, health

Eduction

Consequences

- **Local and national culture**
  - ↳ **Interviews, meetings, decision, promotions, , prise de décision, promotions, payment**
  - ↳ **Time**
  - ↳ **Products, advertisment, …**
  - ↳ **juridical system**

- **Markets**
  - ↳ **Products**

- **education systems**
  - ↳ **Recrutment, further education, management styles**
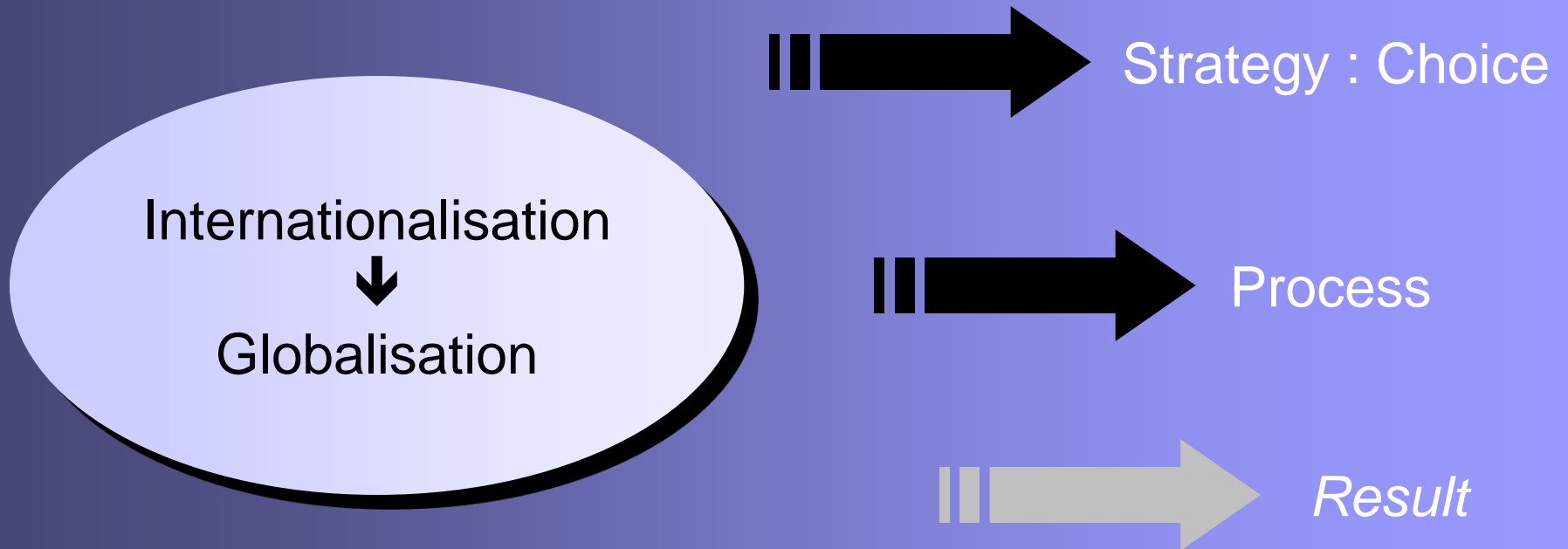
- **Infrastructure**
  - ↳ **Distribution, transport…**

- **Geography**
  - ↳ **Transport, time…**

  + *juridical system*

  labour, taxes, advertisment, communication…

The internationalisation of organisations

Internationalisation
↓
Globalisation

→ Strategy : Choice

→ Process

→ *Result*

Internationalisation

Costs/Investment
Risks
Markets
Speed
Knowledge
Portfolio

Exports/Imports

Franchise

Alliances

Joint Venture

Subsidiary

Acquisition

Merger

Problems

Export

Franchising

Alliances

Joint Venture

Subsidiaries

Merger

Acquisition

• Partners
• Culture
• Knowledge transfert
• Sharing

Typology of Bartlett & Ghoshal

Centralisation
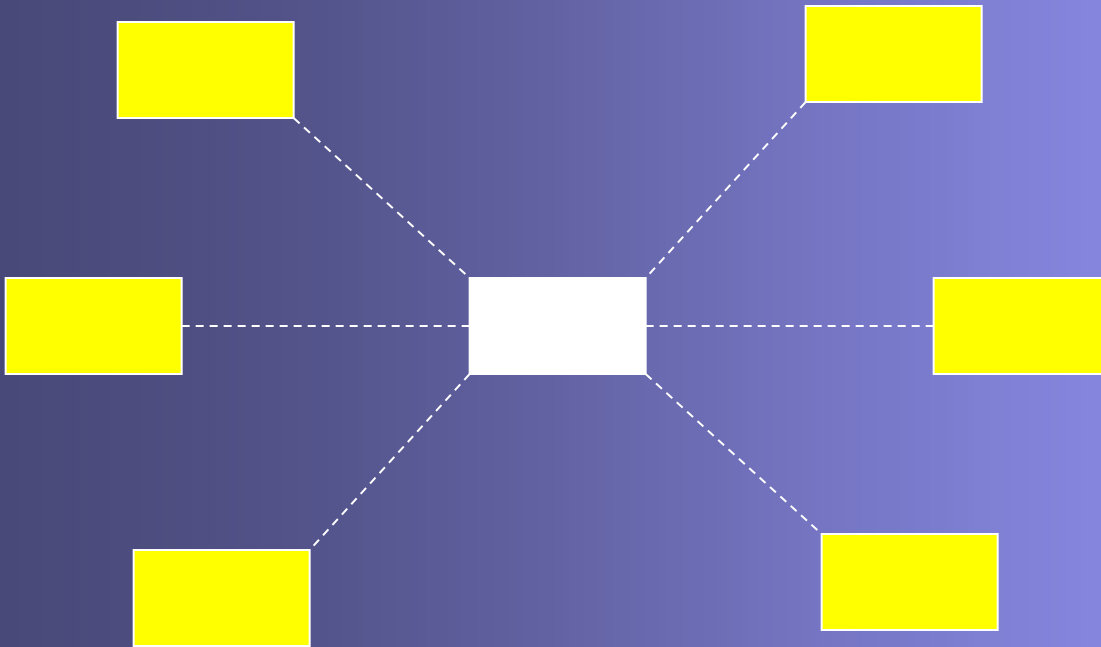
Global firm

International firm

Transnational firm
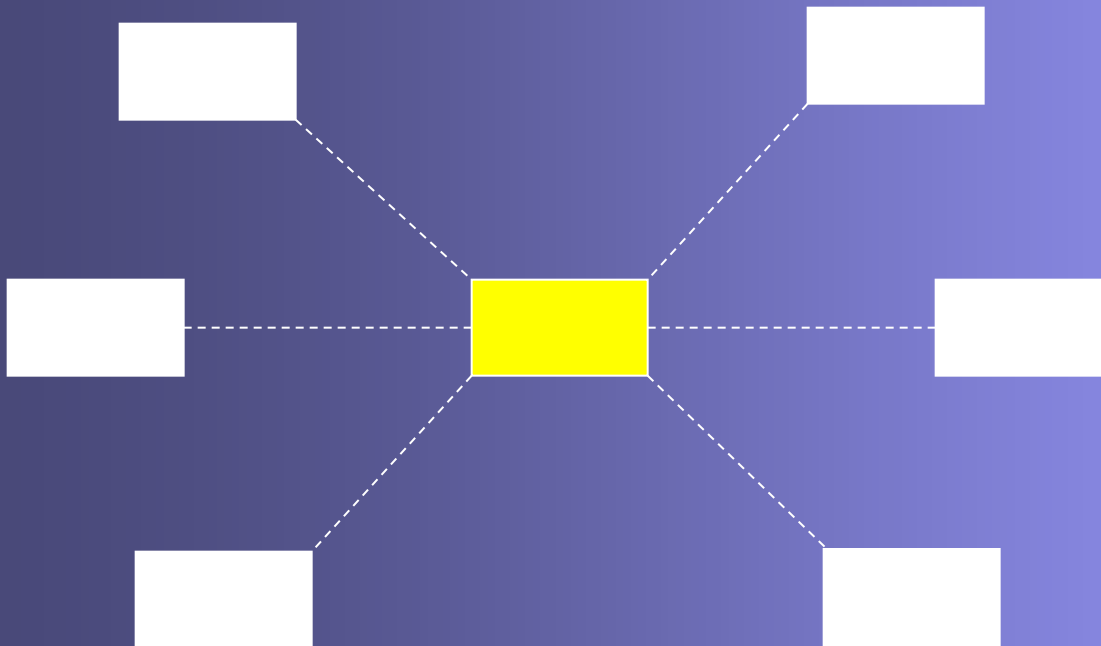
Multinational firm

Decentralisation
Strategy, structure, decision process, communication, culture…
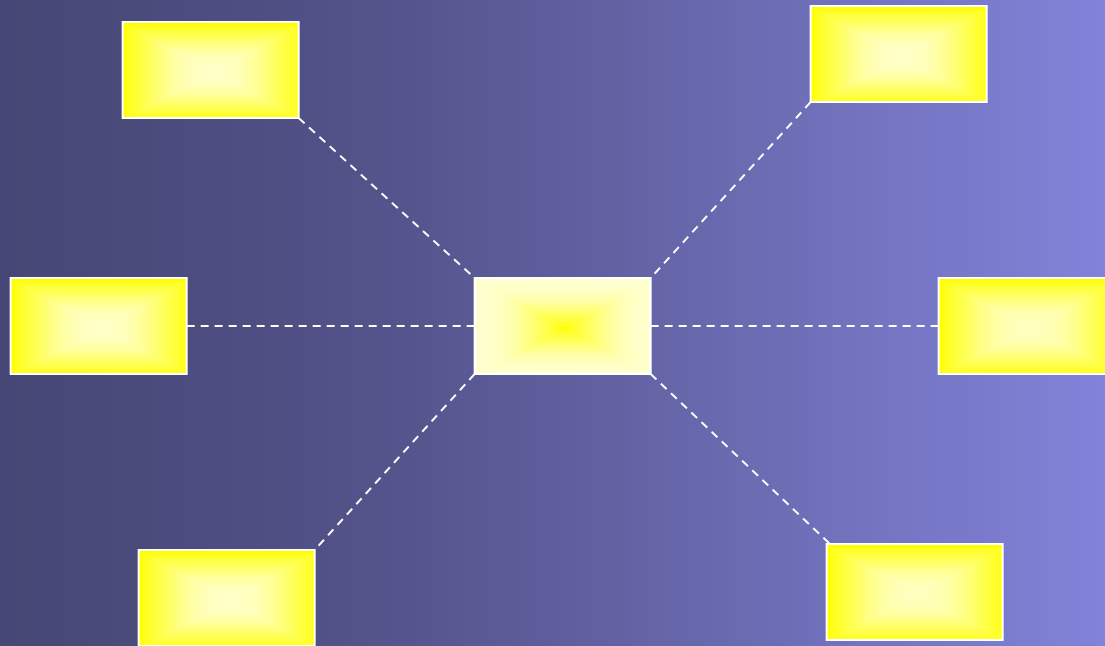
Change process ?

Structures and formal responsability

Relation, communication, methods

Behavior, values

Typology of Perlmutter
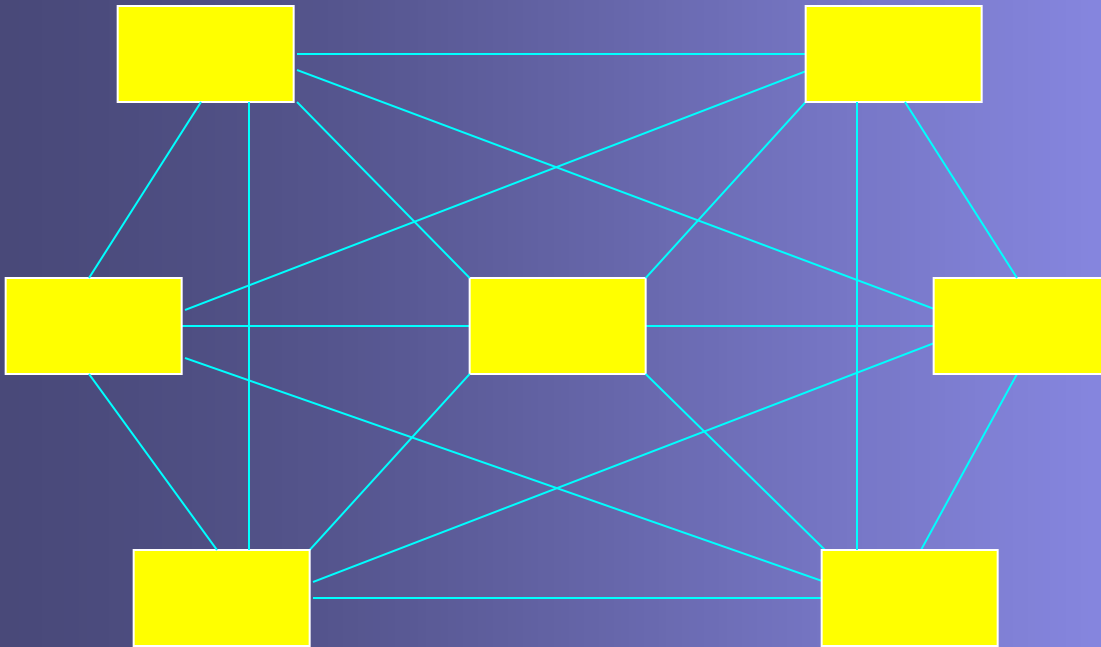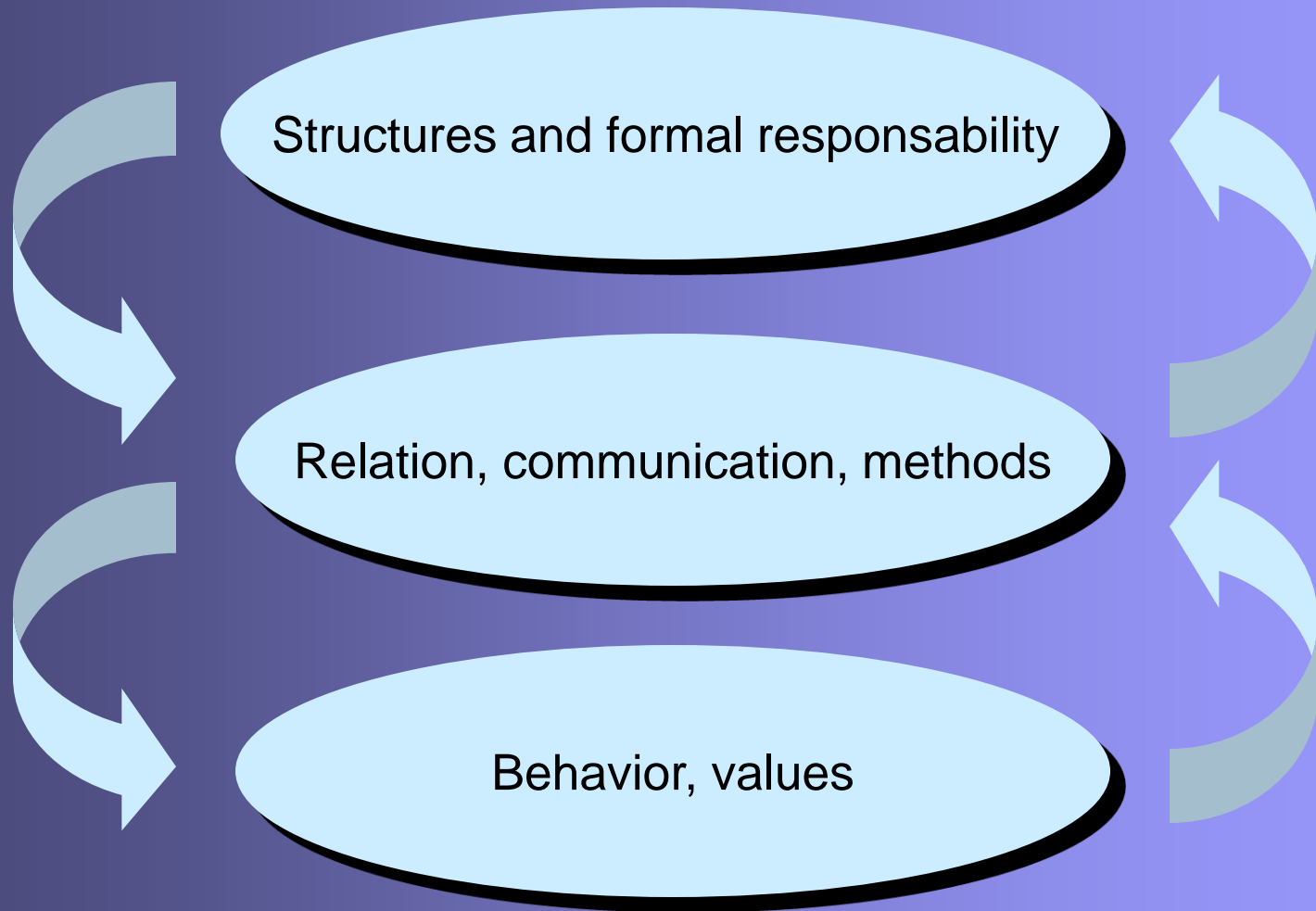
Global

Geocentric

Ethnocentric

Regiocentric

Polycentric

Local

Ethnocentric firm

Headquarter: Decision centre and main source of information

- Subsidiaries: control
- Standards
- Important positions
- Common organisational culture
- Expatriation
- Standardisation

Polycentric firm

Independance of the subsidiaries

- Local employees
- Local culture
- Adaptation

Geocentric firm

Global integration

- Decision: in a global system
- Interdependence
- Knowlede
- Global culture
- International mobility
- Synergies and learning organisation

Regiocentric firm

Regional integration

- World shared in regions
- Regional interdependence
- Regional headquarters
- Regional mobolity
- Regional synergies

Culture and cross cultural management

2 paradigms

Universalism / Convergence

Culturalism / Divergence

Culture

Concepts

Group
Belonging
Value
Norm
Rule
Habit
Costom
Rites (of passage)
Comportement
Identity
Root
Language
Tradition
Belief
Mythe
Difference
Symbol
Relation
Resemblance
Education
Code
Conviction

Member
Person
Folklore
Nation
Subculture
Civilisation
Society

2 definitions

Set of common values and caracteristics shared in a group and acquired during a learning process.

Factor influencing the identity of individuals within a group, sharing and admiting the the same rules, behaviors, costoms.

Hofstede

Culture: Collective programming of the mind that distingguishes the members of one group or category of people from others.

Hofstede, Culture's consequences, 1980,

Hofstede et al., Cultures and organizations, software of the mind, 2010

Results of G. Hofstede

4 dimensions

Power distance

Individualism / Collectivism

Masculinity / Feminity

Uncertainty avoidance

5th dimension → **Long versus short term orientation**

Some cultural differences

Power distance

Austria   USA / Germany   France   Malaisia

weak   strong

Individualisme- collectivism

Guatemala   France / Germany   USA

collectivism   Individualism

Masculinity - Féminity

Sweden   France   USA / Germany   Japan

Feminity   Masculinity

Uncertainty avoidance

India   USA / Germany   France   Greece

weak   strong

4 dimensions of Hall

(The context)

Time

The space

(Transmission of informations)
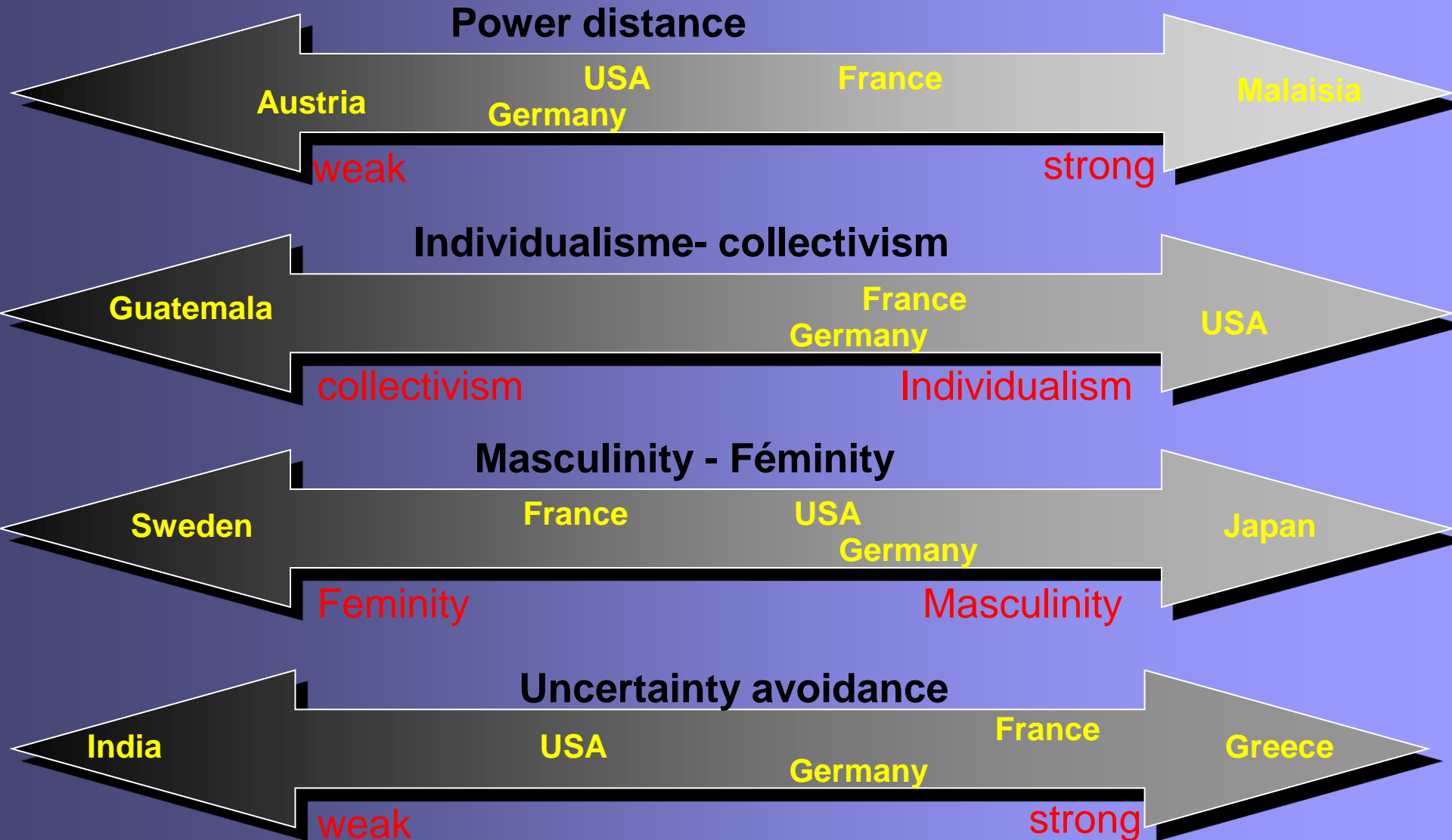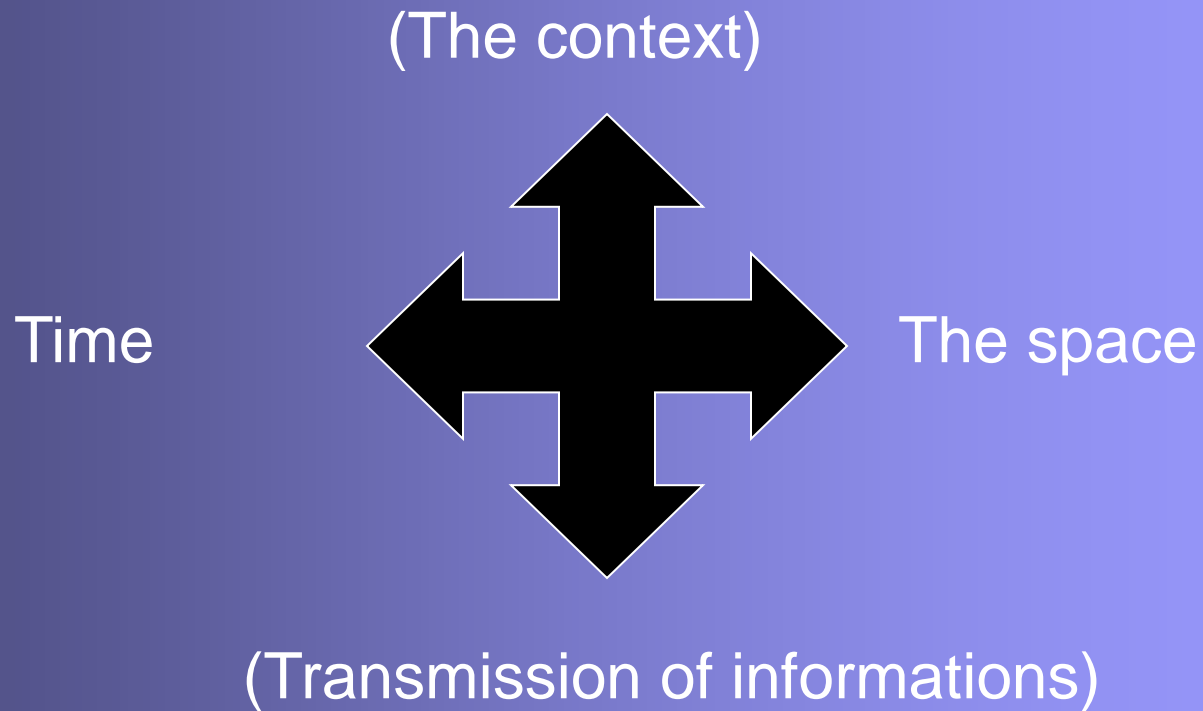
Hall : cultural dimensions

Space
Japan/South of Europe   North of Europe + North America
Narrow   Large

Time
South of Europe/Arab C.   North of Nord + North America
Polychrons   Monochrons

Transmission of information
USA   Europe
fast   slow

Context
Japon   France   USA   Germany
Strong context   Weak context
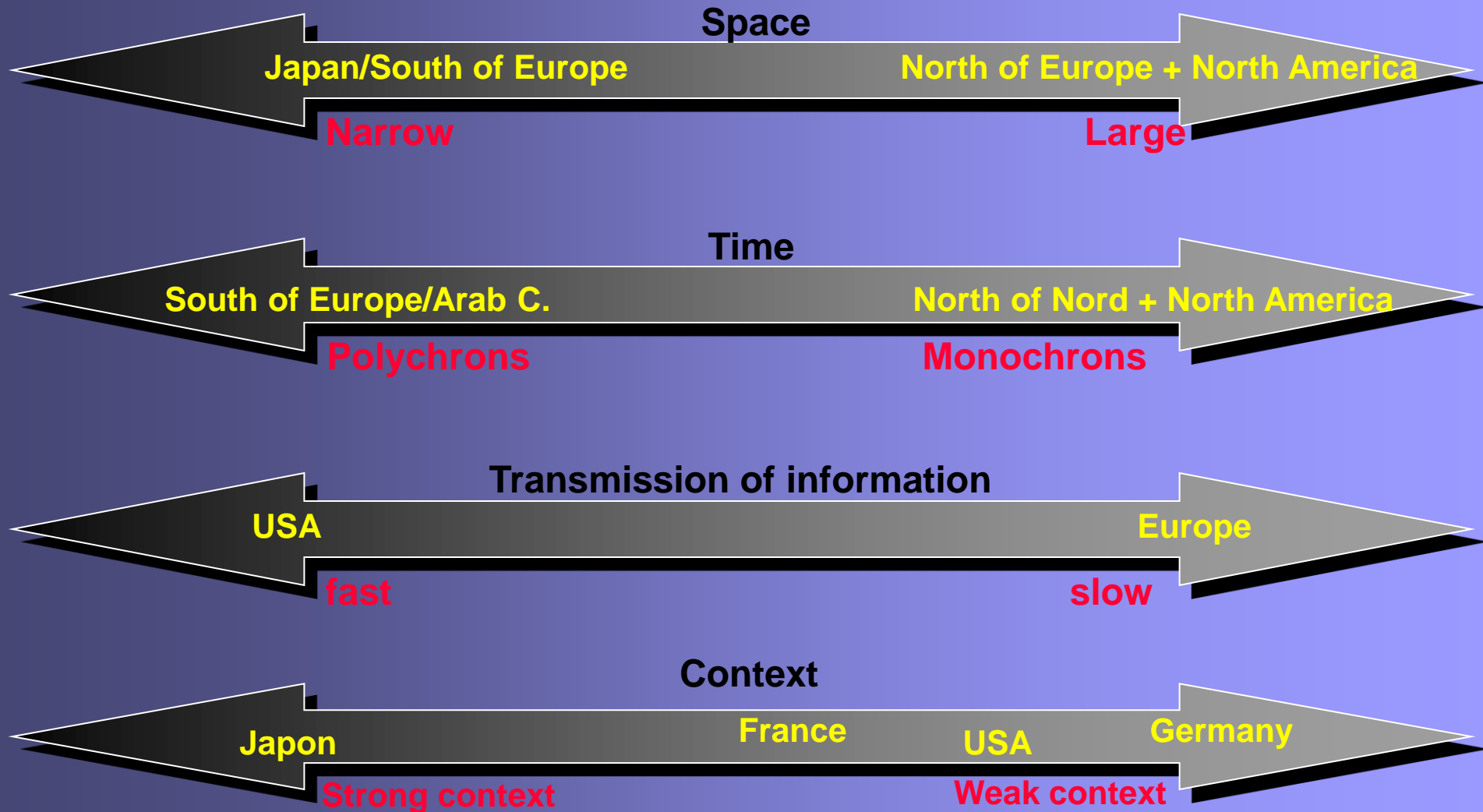
Hall : Time and space dimensions

Time
Past or future orientation
Monochronism or polychronism
As an language
Exactitude
Time Representation

Space
Territory /distance between individuals
Privat and public spaces

Management international and RH

(Topics about international RH)

Topics linked to the collaboration and communication beetwen persons of different culture			Other topics (in comparison research)
Expatriation	Diversity management	Integration of foreigners at work	Motivation Education Recruitment process Communication
Many recearch Many details	• Few research • Frequently mentionned	Sociology research but few studies in management	• Few research • frequently mentionned • studied through comparison methods

International RH : alternatives / choice

RH from the headquarter	Local	RH from a third country
• Loyalty to the headquarter • Culture of HQ • Contacts with RH of the HQ • Methods comming from the HQ • Expensive	Knowledge of local markets Knowledge of local partners Knowledge of local culture Acceptance Less expensive	Technical skills are important/strategic Higher loyalty to the HQ (Less expensive)

(International mobility / migrations from the HQ to the subsidiaries (1))

Business trip	Delegation	Expatriation
• Short term (Max. 3 months) • Hotel • Pay: no change (same salary comming from the same unit) • No administrative complications • High loyalty to the unit of origin	• Middle term (max. 1 year) • Furnished flat • Pay: no change • Few administrative complications • Loyalty to the unit of origine still high	• Long term (Max. 3 years, extendable) • Flat or house • Salary payed by the local unit, (relocation/mobility allowance) • Important administrative activities • Loyalty to the HQ can decrease/decline

+ transfert

Integration and learning effects

Business trip	Delegation	Expatriation
• Integration in the local subsidiary: reduced • Integration in the country: reduced • Learning effects/acquisition of new skills and knowledge about the foreign country: reduced	• Integration is possible • Small learning effects	• Integration is probable • Learning effects: important

+ Transfert

Expatriation

Process

Before   During   After

Organisation ———— Employee

Opportunities
Problems

Objectives

Company

Lack of qualified local employees
Need of specific talents
Know-how transfer
Control over the subsidiary
Communication between the HQ and the subsidiary
Culture transfer
International experience for the managers

Career Employee
Independence and responsability (Manager)
challenge
Interest and curiosity
(Salary)
Social status

Depend on the countries and the organisation

Problems for the company

„Definition":
- Failure: lack of performance, return for end of planed period

Problems:
- Costs
- Image of the HQ (abroad and in the country of origin)
- Reintegration of the expatriates (at work, in the company, in the country)

Management:
- Consideration for success and failure factors

Difficulties for the employee

Family:
- Double careers, separation
- Children (school, exams)
- Parents
- (Friends)

Context factors:
- Culture: integration, food, administration, management methods
- Language: knowledge, courses after work, use of a third language, work with a translater
- Climate
- Leisure activities
- Hygiene

Work:
- Responsabilities
- Collegues