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CHAPTER 5

GLOBALISM, MULTINATIONAL ENTERPRISES AND HRM

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CHAPTER KNOWLEDGE OBJECTIVES

• Develop an understanding about the MNE (multi-national enterprise) perspective of international HRM.
• Critically evaluate the key approaches to HRM in a multinational context.
• Understand how MNEs develop HRM systems for their global operations.
• Critically analyse the global standardisation versus localisation debate.
• Highlight the key HR challenges faced by MNEs in the global context (especially in emerging markets).

KEY SKILLS OBJECTIVES

• Conceptualise a model of the working of MNEs.
• Develop HR-related skills and an understanding about the demands of working in a global context.
• Critically analyse and evaluate the working of key HR approaches in different settings.
• Develop research skills to analyse the what and why of HR challenges for an MNE.

This chapter also provides indicative content for the following Intermediate and Advanced level CIPD modules:

CIPD INTERMEDIATE LEVEL MODULES

5HRF Managing and coordinating human resources function
5CHR Business issues and the contexts of human resources

CIPD ADVANCED LEVEL MODULES

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INTRODUCTION

Recent advances in information technology, together with deregulation of labour movement in areas such as the European Community and liberalisation of the world markets, coupled with the phenomenon of globalisation, have fuelled an unparalleled surge in the growth of multinational corporations (MNCs). MNCs (or, as some would call them, transnational corporations, TNCs, or multinational enterprises, MNEs) have to make key decisions on how to manage across borders. In particular, there is a balance to be achieved between the drive for global coherence as an enterprise and being adaptive to the local environments in which they operate. These competing pressures for integration and differentiation represent a core challenge for the international human resource manager. Effective HRM is the key to success with respect to performance of MNEs globally (Budhwar et al., 2009) as it is the primary function through which these pressures are realised and reconciled. For the vast majority of organisations, the cost of the human resources who do the work is the single largest operating cost that can be controlled and adapted to the external MNE environment (see Chapter 10). HRM is crucial to the survival, performance and success of the enterprise with regard to both the cost and benefit sides of managing people internationally. This further becomes critical, given that international organisations need to deal carefully with a multicultural and diverse workforce in order to flourish in their overseas operations (see Chapter 8). Managers who work in a global environment are generally subjected to the impact of multiculturalism, regional and global change and dynamism to a much greater extent than managers operating in single-country organisations (Brewster et al., 2011; Evans et al., 2011).

It is not surprising, then, that an MNE’s choices in this context become complex and ambiguous as, from an HR perspective, the organisation grapples with the important questions of how much it should localise and how much it should standardise its HR systems across its international operations. What approach should an HR department take with respect to staffing and recruitment practices? How can an MNE develop its HR systems to fit its global portfolio? This chapter aims to provide students with a comprehensive introduction to the people management

DEVELOPING KEY SKILLS

Exploring HR challenges for MNEs

TASK: Imagine that you are an HR manager in a local company that has decided to go international. You have been charged with sorting out the HR function and key decisions for your international operations. What questions should you be asking, and why?
challenges facing MNEs and the management of human resources in an international context. In particular, it will cover: (1) what is meant by the term MNE, (2) the key approaches to HRM in a multinational context, (3) the debate about global standardisation versus localisation, (4) how MNEs develop their HRM systems for their global operations and (5) it will highlight the key HR and people management issues faced by MNEs in the global context. Overall, the chapter will help towards the development and review of management policy, practices and systems in the field of international human resource management (IHRM). It will enable the student to develop research skills to critically analyse the ‘what’ and ‘why’ of HR challenges faced by MNEs.

GLOBALISATION AND MNES

In simple terms, MNEs are those companies which are registered in more than one country and are involved in the trade of products or services in various countries. Similarly, the term TNC has been coined to describe an organisational form that is characterised by an interdependence of resources and responsibilities across all business units regardless of the organisation’s national boundaries (Dowling et al., 2013). The term TNC has also been used to describe a particular type of MNE that tries to cope with large flows of mechanisms, products, resources, people and information among its subsidiaries, while simultaneously identifying their distributed resources and capabilities. However, not only does the international context affect MNE operation, but MNEs themselves also impact upon the international business context. As Dicken (2007: 107) states, ‘the global economy is shaped by TNC through its decisions to invest, or not invest, in particular geographical locations. It is shaped, too by the resulting flows of materials, components, and finished products, technological and organisational expertise, finance, between its geographically dispersed operations.’ There is no doubt that the scale of economic activity controlled by MNEs/TNCs today has grown sharply in the last 20 years and will continue to grow in the future despite the economic slowdown caused by Western recession. For example, world exports as a share of gross domestic product (GDP) have increased from under 20 per cent in 1994 to over 32 per cent in 2008. While global trade fell back in 2009 as a result of the global slowdown, it has been bouncing back in recent years. These statistics are a testament to the interconnected nature of the world economy today, that a crisis emanating in Western financial markets led to a worldwide recession, with world GDP falling by over 1 per cent in 2009 (Goldstein and Pusterla, 2010).

There has been more to globalisation than just a rise in world trade. There has also been a significant increase in foreign direct investment (FDI) by MNEs over the last 15 years. This increase has been especially strong in emerging economies such as the BRIC nations (Brazil, Russia, India and China). The advancement of globalisation has also been reflected in the number of companies establishing a presence in other nations, directly competing in overseas markets. Some evidence suggests that common factors such as the easing of trade barriers and tariffs and the ICT revolution have made these aspects of globalisation easier than before. For example, the Fortune Global 500, an annual ranking of the world’s largest corporations by revenue, has seen the representation of companies based in BRIC nations more than double from 27 to 58 in 2005–2010 (PricewaterhouseCoopers, 2010). This growth, according to the 2010 PwC report, is
expected only to rise in the near future, with some estimates suggesting that the number of new multinationals from emerging markets may rise as high as 40 per cent by 2024 compared to 2008. For example, on the basis of PwC growth analyses, India and China together are projected to account for 42 per cent of the total number of MNEs arising over the next 15 years. In 2009, China was the largest source of new MNEs, but by 2018 the report expects India to overtake China, with its projection to see 20 per cent more new MNEs than China by 2024. Similarly, countries such as Korea, Malaysia, Russia and Singapore together represent 36 per cent of all new MNEs in the projection period. The rest of the nations, such as Brazil and other major Latin American emerging economies (Mexico, Argentina, Chile, etc.), have relatively low numbers of new MNEs in both the base and projection periods (PricewaterhouseCoopers, 2010).

These new MNEs therefore are likely to operate in higher value-added business services or manufacturing sectors by locating different elements of their value-adding activities in different parts of the world. For example, a European pharmaceutical company may well have international R&D partnerships with competitors in the USA, and manufacturing joint ventures with local partners in India or China, where there are also many outsourced local sales of generic products to a local distribution firm (Evans et al., 2011). Thus for these transnational, boundary-less organisations or MNEs one of the significant challenges, among others, is to effectively manage sources of competitive advantage such as their human resources while maintaining a clear and consistent global business strategy in order to continuously improve organisational performance (Budhwar, 2012). HR professionals who anticipate internationalisation typically need to address the following issues (Brewster et al., 2011):

- Do we have a strategy for going international?
- To be successful, what types of managers will we need and how do we find or develop them?
- How can I find out about the way HRM is conducted in other countries: their laws, trade unions, labour market, expectations, etc.?
- What will be the impact of local cultural norms on our current ways of working? Can we adopt all or any of them in other countries?
- How will we choose whether to send expatriates or use local employees?
- How do we manage international moves if we choose to send some people out from home?
- How do we manage knowledge across geographical and cultural distance?

Exploring answers to these multifaceted questions, such as adapting people management practices to foreign subsidiaries and coordinating and controlling distant operations and challenges to foreign assignments facing today’s MNEs, requires an understanding of HRM issues at three levels of analysis, namely: (1) cross-cultural management; (2) comparative HRM; and (3) international HRM (Brewster et al., 2011; Budhwar et al., 2009).

Budhwar and Sparrow (2002) and Edwards and Rees (2011) describe cross-cultural tradition being rooted in the ideology that every nation has its unique sets of deep-lying values and beliefs, and that these are reflected in the ways societies operate and in the ways that the economy operates and people work and are managed at work. Thus it is rooted in the

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International HRM Focuses on the way in which organisations manage their people resources across different dimensions of national contexts, but typically within the same firm.
STRATEGIC ISSUES IN HRM

culture and values of different regions and how they affect employees’ perceptions and interpretations of work. The comparative HRM tradition focuses specifically on the way that people work, and explores the differences between nations in the way organisations manage their human resource processes. Such studies would, for example, explore the differences between HR practices in a firm based in Germany and a firm based in Japan.

International HRM and its more recent ‘strategic’ IHRM school of thought focuses on the way in which organisations manage their people resources across these different dimensions of national contexts, but typically within the same firm (see Chapter 1). For example, a US-based company might operate a performance appraisal system which depends on openness between managers and subordinates, each explaining plainly how they feel about the job being done. That firm operating in an Eastern context may face difficulties with such an approach, as such openness might prompt fears of ‘loss of face’. Thus, replicating practices that have been successfully practised in home countries might prove to be more hazardous when it comes to adopting them to improve productivity and effectiveness in the overseas operations of MNEs. Thus IHRM investigates how MNEs manage the demands of ensuring that the organisation has an international coherence in a cost-effective way and yet is able to be locally responsive in terms of people management issues. IHRM therefore deals with both practices and a range of policy issues as well as strategy-related issues in terms of managing its human resources (Briscoe et al., 2011; Dowling et al., 2013). Here we will focus primarily on IHRM rather than cross-cultural or comparative HRM.

DEVELOPING KEY SKILLS

Analysing demands of working in a global context

TASK: As an International HR manager of an MNE, out of the three levels of analysis mentioned above, which level would be the most important one in terms of helping you to formulate cost-effective management practices?

MINI CASE STUDY

Barclaycard internationalisation strategy

Barclaycard was one of the UK’s first credit cards and as one of the largest global credit card businesses has a rapid growth strategy. Apart from the UK, it operates in the United States, Germany, Spain, Greece, Italy, Portugal, Ireland, Sweden, Norway, France, Asia-Pacific and across Africa. In 2006, it employed 3000 staff, with 15 per cent based in the UK. To enable expansion during this time, Barclaycard International built a platform of people management processes (processes, structures and frameworks) to bring stability, governance and control. Primary agenda items for the HR team in 2006 with respect to the growing international strategy were international resourcing, international mobility, talent acquisition and the development of global policies and frameworks. Resourcing, then transferring, capability globally, either within an existing business or during the start-up and building of a local business, necessitated a range of preferred recruitment suppliers and the building of networks across them to transfer learning about: the management

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of different types of supplier and agency; assessment of their true global capability; and the availability of skills in each labour market. A new International Resourcing Business Partner role acted as a further support mechanism for HR business partners and business leaders to facilitate the acquisition of top talent through the negotiation of global preferred supplier arrangements for head-hunters and research institutions; the development of an employee value proposition and employment brand across countries; advising on global versus local process; sources of best practice; and appropriate geographical diversity in the use of international talent. Barclaycard’s call centre in Dublin acted as a central platform and nursery for future international expansion. It moved from 10 employees in 1997 to 360 in 2006. Initially intended to support non-UK operations, the centre grew to serve eight countries including Ireland, Italy, Spain, France, Germany, Portugal, Greece and Botswana. Dublin was chosen because of the nature of the role, the employee base and the city’s labour market. The recruitment population was well qualified, with intentions to stay in the country for around 12–18 months. Employees spoke (and were hired for) their mother tongue in the markets they served, requiring principles of cross-cultural management to be applied to a single internal labour market. Moreover, the acquisition of Banco Zaragozano enabled a new contact centre in Spain. Thirty-five employees moved from Dublin to Spain to help transfer practices. HR business partners dealt with: setting up legal entities to transfer employees; deciding the best mix of local recruitment; use of local job centres; assessing funding support; and understanding the implications and ramifications of local employment law and sector agreements. Rapid global expansion required the deployment of skills and experience in a multitude of countries at short notice, not always achievable at pace through local recruitment. A new international mobility framework reduced the cost and complexity of expatriating individuals by securing talented employees on global contracts with a premium for global mobility but only ‘light’ expatriate assignments. Rather than wait until Barclaycard International was in or near its markets, people were recruited ahead of the curve for target markets with investments made in forward market mapping. For example, research agencies and head-hunters were used to map a wider range of geographical labour markets, and researching people working in target roles. Global policies and frameworks operated on an exception basis (even if culturally uncomfortable, explicit guidance and global protocols governed activity unless it was illegal to do so) to ensure consistency, rigour, global governance and risk management. Finally, control monitoring processes were aligned with institutional requirements such as Sarbanes Oxley in areas like pre-employment screening policy. The case revealed a clear sequence of HR issues regarding choice of HR processes to be managed globally or in country and the role of local HR business partners developed in relation to recruitment and selection activity, and the emerging sophistication of insights into the behavioural implications of central HR policies within local cultures.

Adapted from Sparrow (2007).

CASE STUDY QUESTION

1. What does the case of Barclaycard International tell us about the ease with which MNEs can manage collaborative networking between various geographical locations?
MNES AND HRM

Bartlett and Ghoshal’s (1998, 2004) basic premise is that MNEs are represented by units that need to be coordinated or integrated in some form and to some degree, spread throughout the world. In essence, MNEs are firms that need to be global and local (multi-domestic) at the same time. Because HRM activities and processes often facilitate issues of differentiation and integration, they represent a critical component in IHRM (Schuler et al., 2002). IHRM in that sense is about understanding, researching, applying and reviving all human resource activities in their internal and external contexts as they impact the process of managing HR in enterprises throughout the global environment to enhance the experience of multiple stakeholders (Briscoe et al., 2011). Therefore, and developing from Chapter 2, the key question here is: how does HRM contribute to the performance of multinational firms? Given the vast differences in HR practices and processes from one firm and culture to another, it is not surprising there is a great deal of controversy about this issue. To illustrate this further, Evans et al. (2011) highlight three different faces or roles of HRM.

The first face is that of a builder, that is, building HRM, which is getting the basic HRM functions, activities and processes in place while ensuring internal consistency. According to Evans et al. (2011), over time the builder becomes the custodian but often the responsibility lies with a specialised personnel or HR department. The second stage or face is that of realigning HRM so as to meet the changes in the external business environment. Advancement of new technologies, marketplaces and structure of competition calls for realigning the HRM function in order to implement new strategies effectively. Therefore, often this face of HRM is also referred to as the change partner, since it involves a partnership between line management and HR professionals. Both the above stages of HRM lead to a much broader and more complex concept of fit. Evans et al. (2011) argue that HRM needs to strive for internal fit and more externally oriented coherence while keeping five different factors in mind:

1. **The organisation’s strategy** – its objectives such as financial returns; strategic growth such as market share, etc.; the balance between short-term and long-term objectives; its basis for achieving competitive advantage (superior quality, customer service, low-cost production).

2. **The external institutional environment** – the external social, political, legal norms and constraints.

3. **The workforce** – the implications of demographics such as age, gender, ethnic profiles and diversity.

4. **The organisation’s culture** – whether work is viewed as egalitarian or hierarchic; whether collaboration or competition is valued in peer relationships.

5. **The technology and work organisation** – the skills required by technology; the degree of interdependence imposed by the work system; the degree to which technology and work design require judgement and creativity on the part of employees and related factors.
Therefore, at the builder stage for example, these various elements are often taken for granted. For example, the founding team might have a particular strategy; the institutional environment is that of the home country or region; the technology and work organisation factors are set. But all these factors will change over time with expansion or internationalisation, thus compelling organisations to realign or reconfigure their HR practices. Evans et al. (2011) explain that such realignment often takes quite some time to achieve. For example, it took Glaxo-Wellcome 10 years to meet its goal of rapid product development by creating cross-functional team working to ensure changes in performance management, selection and development, technology, workforce, careers and deeper cultural norms and values. Similarly, it took Motorola a decade to build a premier local management cadre for its operations in China.

Nonetheless, an organisation cannot always go through constant realignment, especially in new high-tech software, professional service and e-based sectors where the process of change is quickening. Here the final face of HRM is that of a navigator steering through the dualities and paradoxes faced by these transnational organisations. It is described as steering via HRM as it is characterised by interlinks between strategy and HRM. The focus is on developing the capabilities of the organisation and its people to thrive in an environment of continuous change. It involves constructively managing the opposing forces such as short operating results and long-term growth, global integration and local responsiveness, and the need for change and continuity required by execution. These incongruities are at the heart of an MNE, hence the third face of HRM is referred to as navigator, that is, one who steers between such opposing forces (Evans et al., 2011).

LOCALISATION VERSUS STANDARDISATION

A key debate within the IHRM literature is the issue we have already noted of differentiation and integration, also referred to as the local versus global debate, as a defining feature of MNEs’ operation. To further illustrate this tension as a critical component of duality theory, Evans et al. (2011: 55) write:

All firms maintain corporate integration through rules, central procedures and planning and hierarchy. But as the needs for integration grow, more rules, more control and more bosses at the centre simply will not work, but instead [they] will only kill local entrepreneurship and drive away good people. So these classic tools need to be complemented with more informal mechanisms for coordination: lateral relationships, best practice transfer, project management, leadership development, shared frameworks, and the socialization of recruits into shared values. These tools of ‘glue technology’, as we call them, are to a large degree the application of human resource management.

Thus the proponents of duality theory argue that opposites and contradictions are not ‘either/or’ choices but ‘both/and’ dualities that must be reconciled. The nature of the international business strategic approach is therefore a key determinant of an organisation’s eventual positioning on the integration–differentiation continuum. Harris et al. (2003) mention that the recurrent themes in the literature are the link between the strategy–structure

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configuration in MNEs and the competing demands for global integration and coordination versus local responsiveness. They further investigate that where global integration and coordination are important, subsidiaries must be globally integrated with other parts of the MNE and/or strategically coordinated by the parent company (Budhwar et al., 2009). In contrast, where local responsiveness is important, subsidiaries should have far greater autonomy and there is less need for integration. Factors that influence the need for integration in global business strategy include the following:

- **Operational integration** takes place in technology-driven businesses such as chemicals or pharmaceuticals where a small number of manufacturing sites can serve wide geographical markets, or in the case of consumer electronics firms where the company is unified according to products or markets that demand a high level of integration.

- **Strategic coordination** takes place when, in line with the firm’s overall strategy, the MNE can select specific areas where there is a need for centralised management of resources. For example, significant resources such as research and development must be coordinated in terms of strategic direction, pricing and technology transfer, whereas most other functions are not.

- **The influence of multinational customers** exerts great demands on the coordination of resources, equipment, finance and people through global competition. For instance, a multinational customer can compare the prices in different regions; hence it is imperative for MNEs to coordinate pricing, service and product support worldwide.

### HRM IN PRACTICE

**MNEs in Spain**

A recent survey study by Belizon et al. (2013) on HR practices and policies in 242 foreign MNEs operating in Spain identified a multiplicity of factors influencing subsidiary autonomy with respect to HRM. Results revealed that the highest levels of subsidiary autonomy existed in the policy areas dealing with employee involvement, the provision of information to employees, training and development and organizational learning. However, the level of subsidiary autonomy seemed to be slightly more limited in policy domains relating pay levels to market comparators, attitude surveys and suggestion schemes and succession planning for senior managers. Moreover, lower levels of HR subsidiary autonomy were found in MNEs coming from countries with a more flexible labour market, that is from countries very different from Spain where there is, comparatively, a highly regulated labour market. Conversely, higher levels of HR subsidiary autonomy were found in the MNEs originating in countries more similar to Spain regulation-wise, suggesting that MNEs coming from flexible labour market traditions are more used to ‘strategic freedom’ in deploying their preferred HR approaches, and are therefore likely to strive to do the same across borders.
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On the other hand, factors that push the need for differentiation in global business strategy can include:

- Market demands, especially when local competitors define the market competition; local responsiveness is a common approach. This is equally true where products have to be customised to local taste or regulations, such as in the case of processed foods or fashion.
- Legislative demands locally, which may prevent full standardisation of services across the globe, leading to a requirement for more tailored approaches.
- Political demands, which can act as potential barriers to entry in some markets as they may require MNEs to set up a more autonomous subsidiary primarily staffed by host country nationals (HCNs).

MNES’ DEVELOPMENT OF HRM SYSTEMS

De Cieri and Dowling (1999, 2006) identify six theoretical and empirical developments in the study of IHRM, which can be usefully applied with respect to the global versus local debate.

INSTITUTIONALIST THEORY

Rosenzweig and Nohria (1994) apply institutionalist theory by arguing that, of all functions, HRM tends to most closely adhere to local practices, in that they are often mandated by local regulation and shaped by local conventions. Within HRM, they see the order in which six key practices most closely resemble local practices as:

- Time off
- Benefits
- Gender composition
- Training
- Executive bonus
- Participation.

Many other HR issues could be added to this list. The underlying assumption for these rankings is that where there are well-defined norms for the HRM practice and they affect the employees of the affiliate organisation, they are likely to conform to the practices of local competitors (Harris et al., 2003; Morgan, 1986). Thus, from this perspective, factors such as the degree to which an affiliate is embedded in the local environment, that is, the subsidiary’s dependence on local input and the degree of influence exerted on it from the local institutions; and the strength of flow of resources available at the MNE’s disposal as well as the characteristics of the parent, that is, how far the MNE is willing to take risks in terms of employing HCNs, are some of the important determinants of an MNE to adapt to local conditions or standardise globally (De Cieri and Dowling, 2006).
RESOURCE DEPENDENCY THEORY

This theory views the exchanges of resources between an organisation and its constituencies as the main feature of the relationship. On the basis of such an understanding, the local environment in which the MNE is operating is valued in terms of it being the source of scarce resources, which are essential for organisational survival. The main idea is that of identifying the ability of external groups who have some command/power over the vital operations of an organisation. For example, there may be a scarcity of suitably qualified people in a certain country of operation, thus necessitating an MNE to transfer or send expatriates there. Or, for instance, legal issues such as work permits might restrict the general labour mobility. This theory thus highlights the importance of general external environmental conditions and the ability of an MNE to maximise the effectiveness of its human resources within the same environment (Harris et al., 2003).

RESOURCE-BASED PERSPECTIVE

This perspective views human resources as resources that are capable of providing sustainable competitive advantage. It therefore considers human resources as strategic assets that contribute to competitive advantage regardless of the power and politics within organisations. This perspective also ignores the impact of national culture on the ability to transfer knowledge and learning. Its key features are knowledge creation and learning, for example knowledge acquired by expatriates on assignment and diffused across the organisation (Evans et al., 2011).

TRANSACTION COST THEORY

Reed (1996: 39) defines this as ‘adaptive adjustments which organisations need to make in the face of pressures for maximising efficiency in their internal and external transactions’. To minimise the costs associated with such transactions/exchanges, this perspective identifies environmental and human factors that are key features of organisational efforts. Environmental factors are asset specificity and uncertainty, whereas the human factors are bounded rationality and opportunism. Harris et al. (2003) argue that this perspective has direct consequences for HRM and the manner in which HRM practices are organised by an MNE to achieve a governance structure, which enables the management of multiple implicit and explicit contracts between employers and employees. However, this theory is limited in scope because it does not take into account social power and human agency.

STRATEGIC CHOICE PERSPECTIVE

The interaction between people and their environment is the key focus of the strategic choice perspective. Schuler et al. (1993: 420) define it as ‘the process whereby power holders within organisations decide upon courses of strategic action’. This perspective takes into account social power and human agency by acknowledging the decision-making power of managers and the impact their values have on strategies and practices. Nonetheless, a key limitation is that it does not account for external pressures and the power of control systems within the MNEs (Schuler et al., 2002).
BEHAVIOURAL PERSPECTIVE

This perspective focuses on employees’ behaviours within an MNE that mediate the relationship between strategy and firm performance. A core assumption of this is that HR practices aim to elicit and reinforce employee attitudes and behaviours. For example, Schuler and Jackson (2005) link HR practices to the types of behaviour required for different competitive strategies, for example equality, cost reduction or innovation. A drawback of such a perspective is that today’s MNEs tend to adopt all three competitive strategies at the same time (Schuler and Jackson, 2005; Schuler and Tarique, 2005).

APPROACHES TO HRM IN MNES

Among the many people management issues facing an MNE is that of staffing and recruitment of its human resources. The staffing issues that MNEs confront are either not present in a domestic environment or are complicated by the international context in which these activities take place. For example, a UK-based MNE wishes to appoint a new finance director for its Russian subsidiary. It has to decide whether to fill the position by selecting from finance staff available in the company’s parent country, the UK (a parent country national – PCN), or to recruit locally (i.e. look for a Russian finance director, a host country national – HCN). Alternatively it could choose to seek a suitable candidate from one of its other foreign subsidiaries (i.e. a third country national – TCN). The IHRM literature describes four primary approaches to dealing with the staffing issues of MNEs. Perlmutter (1969) claimed that the approach taken will depend on the decisions and assumptions made about key product, functional and geographical considerations. The four approaches are described below (Dowling et al., 2013).

DEVELOPING KEY SKILLS

Conceptualising a model for MNEs

TASK: Each of these above theoretical perspectives has a value. If you were asked to make a choice between them, in what order would you put them, based on their value in explaining local versus global debate for an MNE?

GRADUATE INSIGHTS

HR work within an MNE

The following is a brief interview transcript of a recent MBA student outlining the challenges of HR processes in an MNE. Chris (name changed) works as an HR assistant in a large MNE with over 23 offices worldwide.

Author: Can you briefly describe your role or position within your company?

(Continued)
Chris: I work as an HR assistant here, in the head office in the UK. In that respect, my job is like any other kind, working in conjunction with the senior HR director/managers in managing our HR function in over 23 offices worldwide. I joined this company over two years ago. Earlier I was working for a company based in the UK.

Author: What are some of the typical HR management issues faced by your MNE? Are they different from, say, challenges you faced in your previous work, i.e. the domestic company?

Chris: Yes of course, in my previous work all we had to do was take care of day-to-day HR activities that is, payroll, selection, recruitment, training, etc. In my current company it’s all this and much more. The complexities in managing 23 worldwide offices ranging from the Middle East, South East Asia, Europe and Africa, its employees, as well as employees being sent there from the UK ... I would say it’s a different game. Our single most difficult challenge is sending an expatriate to these destinations, making sure they deliver what they were supposed to. Expatriate assignments are the only way we can ensure coordination of work and consistency in meeting our client’s requirement. Then of course, there is the challenge of handling the local workforce, its laws, and regulations. ... Also expatriates come with their own problems especially if it’s an employee who has a family, is married with children and all. Managing that entire process can be at times quite exhausting.

Author: What has the company/HR department done to ensure adequate resolution of these HR issues?

Chris: Our company has very cleverly singled out processes which are quite standard across our offices in different countries. Of course there are things that are done differently, for example in our Shanghai office, than here but overall the gist of it remains the same. For example, we incorporate 360 degree feedback in our performance appraisal process; this remains the same whether here or in China but the way it is carried out will differ significantly due to culture ...

ETHNOCENTRIC APPROACH

When strategic decisions are made at headquarters and key positions in both the domestic and foreign operations of an MNE are filled by personnel from the parent country (i.e. by PCNs), with zero or very limited autonomy delegated to the foreign subsidiaries, an MNE is said to be following an ethnocentric approach. There are often sound business reasons for pursuing such an approach. It enables better organisational control and coordination of activities; it allows PCNs to develop international experience; and headquarters’ (HQ) people are already well versed in company practices and therefore seen as the best people to do the job. MNEs may also adopt an ethnocentric approach in order to reduce risks. It might be difficult for established MNEs to find experienced personnel in a host country to carry out functions as expected at the headquarters.

An ethnocentric approach also has some limitations. These include:

- Fewer opportunities of growth development and progression for HCN staff, which may lead to reduced productivity and increased turnover.
- PCNs may have difficulty adapting to the host country, during which time they might make mistakes and poor decisions. This may include language difficulties, lack of awareness of local custom and practice, or ignorance of cultural mores.
The style of operation from HQ may not fit well with local culture and practice, leading to cross-cultural issues.

It is usually expensive to employ PCNs in such expatriate positions; they are costly to relocate and often demand high compensation packages. Not only is this an expense for the company, but it can lead to resentment among the HCNs with whom they are working.

POLYCENTRIC APPROACH

When an MNE treats each subsidiary as a distinct national entity it is said to be adopting a polycentric approach. Here, typically, the host country operation will be allowed more decision-making autonomy, and will be staffed primarily by HCNs. This approach overcomes some of the shortcomings of the ethnocentric approach. By employing HCNs the MNE eliminates language barriers, avoids the adjustment problems of expatriate managers and their families and removes the need for expensive cultural awareness training programmes. Employment of HCNs is usually less expensive and allows the MNE to keep a lower profile in sensitive political situations. It also leads to better continuous improvement and to maintaining a high morale of employees, which leads to low turnover as HCNs can see a career path within the organisation.

A polycentric approach, however, has its own disadvantages. These include:

- Control and coordination can be problematic: an MNE could become a federation of independent national units with nominal links to each other and to corporate headquarters.

- Limited opportunities for PCNs as they will have limited exposure to international operations. Over time this will constrain strategic decision making and resource allocation.

- It prevents a global approach.

GEOCENTRIC APPROACH

The third approach Perlmutter identified is known as the geocentric approach. Here the MNE thinks more globally in terms of its operations, recognising that each part (subsidiaries and headquarters) makes a unique contribution with its unique competence. Nationality is ignored in favour of ability, and all the aspects of business are integrated into one. The main advantages of such an approach are that it enables an MNE to develop an international executive team, drawing talent from wherever it is found. This assists in developing a global portfolio and an internal pool of labour for deployment throughout the global organisation. It overcomes the limitations of both ethnocentric and polycentric approaches by providing pragmatism between the approaches. It supports cooperation and resource sharing across different units. Nonetheless, there are disadvantages associated with the geocentric approach as well. These include:

- A geocentric policy can be expensive to implement because of increased costs associated with relocation, such as sending an expatriate or maintaining a standardised compensation pay policy.

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STRATEGIC ISSUES IN HRM

- To successfully implement a geocentric policy requires a more centralised control of the staffing process, which has a longer lead time than a short-term solution. The subsidiary autonomy is lost, which may be resisted by the subsidiary.
- Moreover, if the host country wants an MNE to employ a high number of its citizens, it may use immigration controls in order to force the MNE to employ more HCNs, whereas the company may have been thinking of recruiting TCNs or PCNs. This is equally challenging for an ethnocentric approach.

REGIOCENTRIC APPROACH

Geographical strategy and structure of the MNE are the main elements of the regiocentric approach. Staff may move outside their countries, but only within the particular geographical region. Regional managers may not be promoted to headquarters positions but may enjoy a degree of regional autonomy in decision making. For example, a UK-based firm could create three regions within which their respective subsidiaries might be functioning: Europe, America and Asia–Pacific. European staff could be transferred throughout the European region (say a British manager going to Germany, a French manager to Belgium and a German to Spain). In the Asia–Pacific region European nationals would be rare, as would transfers from the regions to headquarters in the UK. There are several advantages of such an approach. First, it allows interaction between executives who are transferred to regional headquarters from sub-units in the region and PCNs posted to the regional headquarters. This enables better integration at regional level. Second, the MNE would reflect sensitivity to local conditions, since local sub-units are staffed almost totally by HCNs, thus recognising the need for differentiation globally. And lastly, it can be a way for the MNE to gradually move towards a purely ethnocentric or geocentric approach, depending on its experiences.

There are also some disadvantages of a regiocentric approach. These include:

- It can constrain the MNE from taking a global stance by creating a sort of federalism at the regional rather than the country level.
- This approach moves career prospects from national to regional level; however, it still limits movement to the parent headquarters.

Dowling et al. (2013) categorise managerial attitudes that reflect the socio-cultural environment in which the internationalising is embedded within three staffing categories. However, the nature of international business often forces MNEs to implement these options upon host adaptation with respect to staffing of its employees. For example, a firm might want to adopt an ethnocentric approach to all its foreign operations, but a particular host country might force the MNE to appoint its own citizens in key subsidiary positions. So, for that market, a polycentric approach might be mandatory. In such instances, a uniform approach is not achievable. The advantages and disadvantages of PCNs, TCNs and HCNs are as shown in Table 5.1.
DEBATING HRM

Staffing for MNEs

Robinson (1978: 297) states that 'The firm will opt for an approach of using parent-country nationals in foreign management positions by default, i.e., simply as an automatic extension of domestic policy, rather than deliberately seeking optimum utilisation of management skills.'

TASK: Discuss in small groups whether you agree with this statement. If so, what are its implications for MNEs?

Apart from these approaches, Dowling et al. (2013) recognise that external and internal contingencies facing the internationalising firm will also exert an influence on its staffing choices. These include context-specific, company-specific and local unit variables and their effects on IHRM practices.

The local context of the headquarters as well as of the subsidiary can be described in terms of both cultural and institutional variables. Cultural values may differ between those at the headquarters and the host country context. For example, Tarique et al. (2006) mention that cultural similarity acts as a moderator between MNE strategy and subsidiary staffing. Where parent and host country cultures are more similar, then parent country practices are more likely to be adopted successfully. The authors also found that MNEs tend to staff culturally distant subsidiaries with PCNs, which had a positive effect on labour productivity. Institutional variables such as the legal environment and the education system may directly affect staffing options and opportunities. Requirements to employ HCNs or the development of relevant skills and knowledge may limit, or indeed enhance, the range of staffing options available.

The structure, strategy, international experience, corporate governance and organisational culture of the MNE will also influence the strategy behind staffing and the approach an MNE takes. Equally, the nature of the establishment of the international operation can also vary quite considerably; that is, whether it is a joint venture, acquisition, merger or an investment project might also affect the staffing approach, which may be further dependent on the cultural and institutional environment. The strategic role that the subsidiary has to play for the MNE as a whole may be related to questions such as need for control, the locus of decision making, which might further impact the staffing choices. Selection, training, compensation, career...
development (discussed in greater detail in Part 2 of this book) and use of expatriates, as well as repatriation in a broader firm context, also play an important role in the development of effective policies required to sustain a preferred staffing choice.

**TABLE 5.1 Advantages and disadvantages of employing PCNs, TCNs and HCNs**

<table>
<thead>
<tr>
<th>Staffing choices</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| Parent country nationals | • Organisational control and coordination are maintained and facilitated.  
• Managers with potential are provided with international experience.  
• PCNs may be the best people to do a job, given their special skills and expertise.  
• There is assurance that the subsidiary will comply with company objectives, policies, etc. | • Adaptation to host country may take a long time (including family, etc.).  
• An inappropriate HQ style may be implemented by PCNs.  
• There might be big differences in compensation packages between PCNs and HCNs. |
| Third country nationals | • A compromise between expertise and adaptation.  
• In comparison to PCNs, the salary and pay benefits of TCNs may be lower; hence they are less costly.  
• With respect to the host country environment, TCNs may be better informed than PCNs. | • The host country may resist hiring of TCNs.  
• TCNs may not want to return to their own countries after assignment and can create a challenge for the MNE.  
• TCNs can be costly and might struggle to adjust to their overseas assignment. |
| Host country nationals | • Barriers such as language and culture are eliminated.  
• No extra costs with respect to hiring and immigration, e.g. visa costs.  
• Since HCNs stay longer in their positions there is continuity of management practices.  
• Government policies may dictate hiring of HCNs. | • They might be an impediment to control and coordination by HQ.  
• HCNs have limited career opportunity outside the subsidiary.  
• Hiring HCNs limits the opportunities for PCNs to gain foreign experience.  
• Hiring of HCNs alone could encourage federation of national rather than global units. |

**HRM IN PRACTICE**

**Coca-Cola’s African story**

Nothing symbolises globalisation and MNE quite as powerfully as Coca-Cola. The planet’s favourite soft drink brand is pervasive, even in its poorest continent. Establishing its
presence in Africa as early as 1928, when it opened its first production plant, Coca-Cola as of 2006 has operations in all 56 African countries, with 40 bottling firms operating 170 plants under licence as part of its ‘franchise’ system. The company has become Africa’s largest private sector employer, with over 60,000 employees in the Coca-Cola system, which consists of the parent company, franchised bottling operations and distribution and a further 40,000 casual staff. Explaining its people management strategy in Africa, Githuku, head of the current corporate citizenship strategy, initiated by Alex Cummings, Africa Group President and Chief Operating Officer, explains: ‘The idea behind our strategy is that it is not top down but bottom up.’ On heading Coca-Cola’s HR centre of excellence for Africa in 2004, Githuku transformed the existing HR department from a team of generalists into four specialist support functions: a transactional arm; a business partner arm; a specialist team including heads of talent development, HR information systems, total reward and organisational effectiveness; and a talent acquisition arm.

The new structure, which Githuku drew up with the help of consulting firm Mercer, reflected the results of research into how the HR function was spending its time and where it was adding most value to the business. The new model was also being adopted in the company’s Atlanta headquarters in 2006. Githuku’s ambitions are for Coca-Cola to move forward from its current 10–14 per cent expatriate leadership population and grow ‘long-term players on the continent’ from local talent. The next step would then be to export some of those players developed in Africa to other global divisions of the Coca-Cola Company. In Africa this commitment has translated into stringent targets for HR in human rights, workplace practices and health and safety terms. ‘Our second challenge in HR is to adhere to the labour regulations with our bottling partners’, says Githuku. ‘Some have the ability to invest in HR and some don’t.’ She is concerned, given the difficult business environment in which Coca-Cola operates in some African countries, to prevent Colombia-style issues from emerging: ‘We are not sitting back on our laurels.’ In fact, since 2006 Coca-Cola has been working on labour relations issues across the entire system with the aim of developing a ‘cross-functional, aligned approach’ including skills development.

Adapted from Johnson (2006). Reproduced by permission of Rebecca Johnson.

KEY HR CHALLENGES IN GLOBAL AND EMERGING MARKETS

A critical component for MNEs, after staffing and local versus global approaches, is to manage an internationally mobile and diverse workforce. Traditionally, MNEs have deployed groups of managers/experts to disseminate corporate strategy and culture to local units and transfer competence across borders; such staffs have been labelled expatriates. Expatriates are those high-profile managers who are sent from headquarters to the host country to manage the control and coordination of activities and to establish the MNE culture within the host country. According to Harris et al. (2003)
and Brewster et al. (2011), strategic targets addressed by an international assignment could be as follows:

- To improve business performance
- To foster the parent corporate culture in the subsidiary, or share cultural views
- To break down barriers between the parent company and subsidiaries
- To solve technical problems
- To develop top talent and future leaders of the company
- To open new international markets
- To handle politically sensitive business
- To control business improvement initiatives
- To improve trust and commitment of the subsidiary
- To reduce risks
- To train HCN employees in order to improve individual skills
- To improve team skills
- To implement knowledge practices, for example development, sharing, codification, combination, transfer and mapping of the organisation’s knowledge
- To develop, share and transfer best practices
- To improve business relationships
- To develop networking processes at intra- or inter-organisational level
- To develop an international leadership
- To control financial results.

However, such ambitions also mean that there are significant challenges with respect to managing such an internationally mobile staff. The complexities of managing an expatriate have been the focus of much sustained academic research on IHRM over many years (see Dowling et al., 2013). Despite this focus, there are several key challenges that an MNE needs to face with respect to people management issues.

One of the first major challenges is to establish selection criteria for the international assignee. Companies’ perception that international selection is a high-risk operation leads to a tendency to place over-emphasis on technical and managerial qualifications, to ensure that the job can be done competently. Sparrow et al. (2004) called the selection practice a ‘coffee-machine system’, which leads to selection of an expatriate from a small pool of known senior managers, then on to potentially discriminatory outcomes and to some serious failures. In fact, to avoid such high rates of expatriate failure many organisations have now adopted more sophisticated procedures such as psychometric assessments (see Chapter 7) of competencies and other approaches to suitability assessments (Harris et al., 2003).

The next challenge, after the appropriate selection of expatriates, is to manage the assignment cycle, including the high failure rate of expatriates. An expatriate failure in this context is defined as the premature return home of an expatriate manager (Tung, 1998). Though there is no real consensus in terms of statistics of such expatriate
failure, experts argue that in some cases, such as within the US literature, the failure rates are extremely high (Evans et al., 2011). Therefore, preventing or minimising these will involve the HRM specialist to work on the following areas:

- **Preparation** – in terms of organisational training like cross-cultural workshops, pre-paid visits to the host country, factual briefing, assessment centres and field experiences, informal networking with other expatriates – these are some of the common approaches that an MNE takes in terms of preparing the expatriate for the foreign assignment.

- **Adjustment** – adjustment of an expatriate is, according to Black et al. (1991), based on four factors. Individual factors include self-efficacy, relational and perceptual skills, emotional stability, interpersonal and self-confidence skills. Non-work-related factors are particularly those that deal with the family situation. An inability of the spouse and children to readjust to a new cultural environment is a common source of difficulty. Therefore, if an expatriate is on a high culture novelty job then the social support they need from the MNE is a deciding factor in their adjustment at work. And lastly, there are job factors such as role clarity (lack of clarity on what is expected), role discussion, role conflict, role overload, which make it difficult for the expatriate to adjust in the host country.

- **Rewards** – the high costs of international assignments mean that much attention is focused on developing more cost-effective systems which will still provide an incentive for the expatriate to move. The key determinants of the system are cost efficiency, that is, making sure that the plan delivers the intended benefits in the most effective manner (including tax consequences); equity issues, that is, making sure that the plan is equitable irrespective of the assignment location or nationality of the expatriate; and system maintenance, that is, making sure the plan is relatively transparent and easy to administer. A balance-sheet approach is most popular among MNEs. This is designed to maintain standards of living for expatriates, irrespective of their assignment location.

- **Performance management** – the assessment of an expatriate’s performance involves a complex range of issues, and research to date suggests a rigorous performance appraisal system for expatriates is far from universal (Dowling et al., 2013). A thorough, objective appraisal of an expatriate is likely to be highly complex. This is because the general difficulties of performance measurement are compounded in the case of expatriates by headquarters’ lack of knowledge of the local situation (Schuler et al., 1991).

- **Repatriation** – a key issue after the international assignment is completed is that of repatriating the expatriate, that is, his or her homecoming. A critical issue in repatriation is the management of expectations (Harris et al., 2003). Work-related expectations of repatriates can include job position after repatriation, standard of living, improved longer-term career prospects, opportunities to utilise skills acquired while abroad and support and interest from supervisors and colleagues in the home country. Together, these concerns suggest that organisations need to devote more attention to their handling of the repatriation process. Examples of some of the best practice in this regard include:
STRATEGIC ISSUES IN HRM

- Pre-departure career discussions
- A named contact person at the home country organisation
- A mentor at the host location
- Re-entry counselling
- Family repatriation programmes
- Employee debriefings
- Succession planning.

Moreover, the issue related to pursuing diversity management is critical. For example, to what extent should MNEs try to standardise their diversity programmes across their subsidiaries? In principle, the organisational structure of MNEs’ diversity management activities should adopt the one that the firm has overall supported. This would then assume that an organisation adopting an ethnocentric or geocentric approach would have more or less standardised programmes across the world.

The challenge of recruiting female expatriates as part of MNEs’ inclusive approach to HRM is an important one. Caligiuri and Cascio’s (1998) model for predicting the success of female global assignees is based on four antecedents: personality traits, organisational support, family support and the attitudes of host country nationals towards working women or female expatriates. Dual-career couples and the implications of international working for work–life balance pose further important challenges for MNEs in terms of internationalising its workforce.

DEBATING HRM

The role of expatriates

The literature suggests that expatriate assignments do offer a number of benefits as well as challenges to MNEs in staffing their foreign operations.

TASK: Keeping these in mind, in small groups discuss the following:
1. Are MNEs justified in using expatriates?
2. Could MNEs’ objectives be achieved through alternative means? If so, what are some of the other forms of international assignments?

CASE STUDY

AstraZeneca expatriate management

AstraZeneca is one of the world’s largest pharmaceutical companies, headquartered in London, UK and Södertälje, Sweden. In 2008, the revenues at AstraZeneca approximated US$31.6 billion, with a workforce of 66,000 employees. In 2009,
AstraZeneca had around 350 employees working on international assignments in 140 countries worldwide. These employees were on short-term, long-term or commuter assignment contracts. According to Ashley Daly, Senior Manager of International Assignments for AstraZeneca in the USA, the company’s employees were mainly concentrated in Belgium, the USA and the UK, but they ‘also have a significant presence in the Asia–Pacific and Latin America regions’. The company’s policy states that for any international assignment, there has to be a strong business rationale. The company made sure that the career management of its employees during the assignment was consistent with personal development goals as well as the company’s needs while ensuring the costs of international assignments were fair. The contractual arrangements for the assignment were also centrally managed; ‘from the outset, if there is not a clear sense of how the international assignment experience can be applied at the end of the assignment term – at least in broad terms – the business should strongly consider whether an international assignment should even move forward’, said Daly.

Once an assignment offer was made to a potential expat, AstraZeneca paired them up with an international assignment manager (IA manager), who briefed them on company policy and the opportunities for cultural and language training. Prior to the departure for their international assignment, employees were provided with adequate training on several issues such as leaving for the destination country, returning back to their home country, cultural differences, social do’s and don’ts and, if necessary, training their spouse in the local language. Tessi Romell, Research and Development Projects and HR Effectiveness Leader at AstraZeneca, said that the company also helped connect new expats with those who had already served in that location. At times, they also hosted follow-up workshops in the host county. Expats were in constant touch with their IA manager in addition to reporting to a line manager in their home country. Moreover, AstraZeneca saw to it that expats were given the necessary flexibility for them to achieve a work–life balance. ‘AstraZeneca is really good at allowing people to manage their own time and being aware that we are working across different time zones. It’s always something that we try to take into consideration so we don’t have people [taking care of work matters] in the middle of the night’, said Romell.

Furthermore, there were few complaints with respect to work–life balance from the company’s expat employees. Romell explained, ‘It’s a combination of things that the company is doing and having a culture that is supportive of work–life balance, as well as encouraging individuals themselves to think about their own work–life balance.’ Industry experts too felt that the practices followed by AstraZeneca, such as preparing the employees for international assignments, providing them with support and assigning an IA manager, were effective. They lauded AstraZeneca’s practices, which were in contrast to those of many companies that rushed employees to foreign assignments without adequate support. With economic recession around the world continuing, some experts felt that organisations would be forced to reconsider the costs associated with international assignments. Some felt that global companies such as AstraZeneca would send fewer people on international assignments, or allot them to

(Continued)
shorter terms abroad. They even predicted that the high compensation and benefits generally associated with foreign assignments could also see cuts. Daly noted that although measures were taken to cut the costs around taxes, by sending expats on short-term assignments, completely cutting the costs was not always possible. When an expat has family, Daly pointed out, some aspects of expat packages such as host country support, educational counselling for expat children and spousal support played a critical role in ensuring expat success. These supports ensured that the expatriate family was able to settle down in the host country. Not providing them could result in employees not being able to focus on their new job, putting the company’s investment at risk. According to Daly, ‘Our recent focus has been less on reducing numbers of international assignees and more on making the right decisions about who goes on assignment; why they go; and perhaps most important, how the skills and experience gained abroad will be leveraged in their next role, post assignment.’

Adapted from Purkayastha (2010) IBS Center for Management Research, Casecentre.org

**CASE STUDY QUESTIONS**

1. What approach did AstraZeneca take with respect to internationalisation?
2. What should AstraZeneca do differently with respect to managing its expatriates? And why?
3. What decisions related to expatriates can organisations take to maximise the benefits to the company despite the ongoing economic recession?

**CHAPTER SUMMARY**

The key points we have identified in this chapter are:

- The meaning of the term MNEs and their rise due to globalisation.
- Cross-cultural HRM, comparative HRM and IHRM as the three levels of analysis in understanding the MNEs’ functioning and management of their human resources.
- Approaches to staffing tend to be based on four key classifications, that is, ethnocentric, geocentric, regiocentric and polycentric. Based on any or a combination of these approaches, PCNs, TCNs or HCNs may be recruited by the MNEs.
- There are both internal and external contingencies involved while deciding on the local versus global debate of MNEs’ operations.
- In order to transfer best practices and maintain control, among other things, MNEs often make use of expatriates.

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To minimise expatriate failure, the HRM specialist needs to work on preparation for the assignment cycle, adjustment, performance management and reward of the expatriate while on the assignment, as well as the issue of repatriation of an expatriate once the assignment/project cycle is completed.

**REVIEW QUESTIONS AND EXERCISES**

1. Highlight the key challenges faced by MNEs when internationalising.
2. Describe and evaluate the three levels of analysis that form the subject matter of IHRM.
3. Discuss Perlmutter’s (1969) approaches to staffing and recruitment. What are their advantages and disadvantages?
4. Explain how external and internal factors may affect the staffing choices of MNEs.
5. What are the factors that influence the need for localisation versus standardisation in global business strategy?
6. Discuss the stages involved in managing the assignment cycle of an expatriate.

**EXPLORE FURTHER**


Budhwar, P. and Debrah, Y. (2001) Rethinking comparative and cross national human resource management research. *The International Journal of Human Resource Management*, 12(3): 497–515. This is an excellent journal review article that highlights the rapid development of the HRM discipline and the need for more cross-national and international HRM studies. The authors critically analyse five main HRM models on the basis of which a framework for HRM evaluations in different contexts is proposed. It is a good read to get a thorough background into international HRM theories/models and frameworks.

The Society for Human Resource Management website at www.shrm.org. This is the website of the main HR professional body in the USA and contains lots of useful information on IHRM and other related HR topics.

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