

# Human Resource Management in an International Context

Rosemary Lucas, Ben Lupton  
and Hamish Mathieson

HOCHSCHULE  
LIECHTENSTEIN  
Bibliothek

# Contents

Boxes, figures and tables	xv
About the contributors	xvii
Acknowledgements	xxi
<b>Chapter 1 - Introduction</b>	
What is this book about?	1
Who should read it?	1
What does the book contain?	1
How to use this book	2
The broad approach taken in this book	2
What is different about this book?	2
A thematic conceptual framework	2
The structure of the book	4
Part 1 Employment and HRM	4
Part 2 Work organisation, flexibility and culture	5
Part 3 Recruiting, managing and developing people	5
Part 4 Regulation and employment relations	7
Part 5 Corporate governance, justice and equity	8
<b>Part 1: Employment and human resource management</b>	
<b>Chapter 2 - Employment in a global context</b>	<b>11</b>
Purpose and scope	13
1 The nature of employment	13
Influences on employment	14
2 National differences and employment	15
Nation states	15
Physical and human resources	16
Social and political systems	16
3 A world of cultures	17
Understanding culture	17
The influence of Hofstede	19
The impact of cultural differences	20
Case study 1: <i>Managing employment in Nigeria</i>	20
4 Globalisation and management convergence	23
Globalisation and internationalisation	23
Regionalisation	25
Case study 2: <i>Subsidiaries of German MNCs in the UK</i>	26
5 Multinationals and employment	27
Strategic choice	27
Strategic influences	28
Strategic opportunities	28
Consistency and differentiation	29
Standardisation and differentiation	30
Conclusions and future issues	30
Case study 3: <i>Subsidiaries of US MNCs in Germany</i>	31
References	33

<b>Chapter 3 - Human resource management</b>	<b>37</b>
Purpose and scope	37
1 The nature and scope of HRM	37
Introducing HRM	37
Pinpointing HRM activity	39
A strategic framework for HRM	40
2 Comparative models of HRM	41
Western perspectives	41
Other western perspectives on HRM	42
Limitations of western models	43
Cross-national HRM	44
National context	44
<i>Case study 4: HRM in transition in Central and Eastern Europe</i>	45
Organisation context	46
<i>Case study 5: HRM in transition in multinational banking companies in Pakistan</i>	46
3 International and global HRM	48
Is there a difference?	48
4 The management of HRM	50
The status of the HR function	50
The changing nature of the HR function	51
The role of HR departments in different countries	52
Conclusions and future issues	53
<i>Case study 6: Managing guanxi in a Swiss-Chinese joint venture</i>	54
References	56
<b>Part 2: Work organisation, flexibility and culture</b>	
<b>Chapter 4 - Work organisation and flexibility</b>	<b>63</b>
Purpose and scope	65
1 An overview of work organisation and flexibility	65
2 The major influences on work organisation and flexibility	66
Demand factors	66
Supply factors	67
Working-time flexibility and work intensification	67
<i>Case study 7: Working time and deregulation in Australia and New Zealand</i>	68
3 Policy frameworks in respect of work organisation and flexibility	69
Regulation of employer-driven flexibility	69
<i>Case study 8: The 35-hour week in France</i>	70
Regulation of employee-driven flexibility	71
4 Employer-driven flexible working practices	74
Core employees	74
Periphery employees	75
Temporal flexibility	75
Trends in flexibility	75
Flexibility and HRM	75
Implications of part-time working	76
<i>Case study 9: Trust-based working time in Germany</i>	77

5 Employee-driven flexible working practices	78
The 'business case' as a policy approach	79
Types of WLI policy	79
Implementation of WLI policy	81
Conclusions and future issues	83
<i>Case study 10: WLI in Norway</i>	83
References	85
<b>Chapter 5 - Culture change management</b>	<b>89</b>
Purpose and scope	89
1 Introducing culture change management	89
2 What is culture?	90
3 Culture and human resource management	91
Why manage culture?	91
Culture in HRM theory	92
Customer orientation and the New Service Management School	93
4 Exporting company cultures: international retailers	94
5 Evaluating culture change programmes	96
Empirical evidence on culture change	96
<i>Case study 11: Managing culture in a medium-sized Greek food retailer</i>	99
'love of product'	100
<i>Case study 12: UP-FRONT's 'love of product' culture</i>	101
6 Is managing culture feasible?	102
Smircich's analytic foundations	102
Martin's three-perspective framework	102
7 Culture: a contested terrain?	104
Customer service in a customer-oriented bureaucracy	104
Emotional labour: the commercialisation of feeling	106
<i>Case study 13: Cathay Pacific Airlines - the perfumed picket line</i>	107
Conclusions and future issues	109
<i>Case study 14: When Let's-Shop met Value-Plus</i>	110
References	112
<b>Part 3: Recruiting, managing and developing people</b>	
<b>Chapter 6 - Recruitment and selection</b>	<b>117</b>
Purpose and scope	119
1 Conceptual overview	120
Recruitment and selection and HR strategy	120
2 The context for recruitment and selection	122
The external context	122
The organisational context	124
<i>Case study 15: Hospice Africa Uganda</i>	125
3 Recruitment and selection strategies and processes	126
Job and role analysis	126
Recruitment	126
Selection	127
Employee perspectives	128
Evaluation	128

<i>Case study 16: The recruitment and selection of hotel staff in Mali</i>	129
4 The role of technology in the recruitment and selection of staff	130
Recruitment and selection and the Internet	130
<i>Case study 17: JobsDB.com</i>	132
5 The recruitment and selection of international staff	133
Recruiting and selecting expatriates	134
Conclusions and future issues	135
<i>Case study 18: The recruitment and selection of senior staff in an international context - the case of Estonia</i>	136
References	138
<b>Chapter 7 - Learning and development</b>	<b>147</b>
Purpose and scope	147
1 The 'why': L&D in an IHRM context	148
2 Defining L&D	148
Defining learning	149
What is meant by 'L&D' in the twenty-first century?	149
Learning as acquisition: effective information processing	150
The importance of L&D at all levels	151
Individual learning: learning styles in an international context	152
<i>Case study 19: L&amp;D across cultures</i>	153
- Learning at the group/team level	153
Learning at the organisational level: the rise of the learning organisation	154
Looking beyond the learning organisation	154
Learning as participation: how to perform together	155
<i>Case study 20: Learning as participation - getting on in the community</i>	155
3 The 'who': key players in L&D	156
Who is responsible for L&D? - the macro-level view	156
The role of HR practitioners in L&D: learning architects and thinking performers	157
<i>Case study 21: L&amp;D at Accenture, in India</i>	159
4 The 'how': approaches for L&D	161
Type 3: formal L&D activities and the role of higher education	162
Type 1: informal approaches	164
Type X and Type 2: the best and the worst of L&D	165
Action learning	165
Conclusions and future issues	166
<i>Case study 22: Action learning in L&amp;D - cultural issues</i>	166
References	168
<b>Chapter 8 - Managing performance</b>	<b>173</b>
Purpose and scope	173
1 Conceptual overview	174
The concept of performance management	174
The theoretical basis for performance management	175
The cultural context for performance management	175
2 Performance management processes	176
The role of objectives/goals	176

Setting objectives	177
Development aimed at achieving objectives	177
Performance review	177
Functions of review.	178
3 Performance management and reward	179
Non-financial reward	179
Financial reward	180
PMS and reward internationally	180
<i>Case study 23: Performance evaluation and reward in Australian local government</i>	181
4 Performance management and teams	182
Developments in managing team performance	182
<i>Case study 24: Performance management and teamworking in Egypt</i>	183
5 Expatriate performance management	185
The challenges of expatriate performance management	185
Developments in expatriate performance management	186
<i>Case study 25: Expatriate performance management at Nokia, Finland</i>	186
6 360-degree feedback	188
Purpose	188
Process	188
A critique of 360-degree feedback	189
Issues to address	189
Conclusions and future issues	190
<i>Case study 26: Introducing 360-degree feedback to electricity generation in New Zealand</i>	191
References	193
<b>Chapter 9 - Reward</b>	<b>199</b>
Purpose and scope	199
1 Reward in an international context	200
The nature of reward and its strategic significance	200
National influences in international reward	201
Culture	201
Base pay	202
Variable or contingent pay	203
Benefits	204
Non-financial benefits	205
2 Expatriate pay	205
Types of international and expatriate assignments	205
The objectives of expatriate pay	206
Factors that affect the pay of expatriate employees	207
Components of expatriate pay	208
Calculating expatriate pay	209
Selecting the appropriate approach	211
Taxation	211
Issues in expatriate pay	211
Evaluating the return on expatriate investment	212
<i>Case study 27: Cadbury-Schweppes' assignment policy</i>	213

3 Global reward strategy	215
Developing a global reward strategy	217
Managing reward on a global basis	219
Conclusions and future issues	220
<i>Case study 28: Introducing a global reward strategy at Anywhere Corporation</i>	221
References	222

## Part 4: Regulation and employment relations

### **Chapter 10 - Employee voice** **227**

Purpose and scope	229
1 Introduction to employee voice	229
Rationales for voice articulation	230
2 Dimensions of employee voice	230
Direct voice	231
Indirect voice	232
3 Employee voice in an international context - framework for analysis	233
A framework for analysing patterns of employee voice	234
Economic conditions	235
Cultural values and ideologies	236
The politico-legal context	236
Strategic choice	237
Power of the parties	237
Organisational innovations	238
<i>Case study 29: Employee voice and restructuring at Lufthansa and British Airways</i>	238
4 International trends in employee voice	240
Power-centred voice	240
Other forms of indirect power-centred voice	243
Task-centred voice	244
Ownership-centred voice	244
Influences on employee financial participation	245
Limitations of employee's share plans	245
<i>Case study 30: The cross-border transfer of employee relations practices - subsidiaries of US MNCs in the UK</i>	246
5 Globalisation and the future of employee voice	247
Mechanisms to protect employees' rights to free association	247
Mechanisms of transnational employee voice articulation	248
Conclusions and future issues	250
<i>Case study 31: The international framework agreement at Chiquita Brands</i>	251
References	253

### **Chapter 11-Employment law** **259**

Purpose and scope	259
1 Country-by-country divergence	260
Different legal traditions	260
Different employment law regimes	262

2 Dismissal law	263
Highly prescribed	263
Highly permissive	264
<i>Case study 32: Employment termination in the USA - the issue of 'employment at will'</i>	265
Half-way houses	266
3 Working time	266
Limited regulation	267
Detailed regulation	267
<i>Case study 33: The 35-hour week in France and its application to managers</i>	268
To regulate or deregulate?	269
4 Regional convergence: EU law	270
5 International convergence: the International Labour Organisation (ILO)	273
Constitution and scope	274
Policy instruments	275
Enforcement and compliance	275
Conclusions and future issues	276
<i>Case study 34: The Bulgarian Labour Code - wages, social partnership and ILO and EU compliance</i>	277
References	280

## **Part 5: Corporate governance, justice and equity**

<b>Chapter 12 - Corporate social responsibility and HRM</b>	<b>283</b>
Purpose and scope	285
1 What is CSR?	286
A new agenda	286
Defining corporate social responsibility	286
Why has CSR become such a prominent issue in the new millennium?	289
Arguments against the CSR response	290
2 The contribution of HRM to the CSR agenda	292
Pay and reward	293
Working time	295
Employer branding	296
3 Organising CSR and integrating it into the HRM function	297
Challenges for the HR function from CSR	298
4 CSR reporting	298
Reporting HRM aspects	299
<i>Case study 35: Pioneers in reporting HRM aspects of CSR - the Co-op Bank's partnership reports</i>	301
Reporting on human rights issues	301
<i>Case study 36: Human rights collaboration - the World Cocoa Foundation</i>	• 303
Conclusions and future issues	303
<i>Case study 37: HRM and CSR best practice in British Telecom</i>	304
References	306



<b>Chapter 13-Ethics and organisational justice</b>	<b>309</b>
Purpose and scope	309
1 Ethics and business	309
What is ethics?	309
Connecting ethics and business	310
<i>Case study 38: Whistleblowing in South Korea - Confucian ethics and collectivism</i>	311
2 What are ethical theories?	313
The basis of theories	313
Consequentialist theories	313
Duty theories	315
Virtue theories	317
Cross-cultural issues	318
<i>Case study 39: What ethical criteria govern businesspeople's behaviour in Russia and the USA?</i>	319
3 What is the case for a more ethically informed approach to HRM?	321
Perceived moral decay in western economies	321
Declining western economies and emerging Far East economies	321
The failure of MBA courses	321
The need for a common good in business and society	321
4 Organisational justice	322
Fairness and the good employer	322
Theories of organisational justice	323
Cultural implications of organisational justice	324
<i>Case study 40: Social justice and organisational justice in sub-Saharan Africa</i>	325
Conclusions and future issues	326
<i>Case study 41: Enron - the business ethics case of the millennium</i>	327
References	329
<b>Chapter 14 - Employment equality</b>	<b>333</b>
Purpose and scope	333
1 Employment inequality: problems and solutions	334
Employment inequalities: who is affected, and in what ways?	334
Employment management: theory and practice	335
2 Equality and the law	337
The international legal framework	337
National equality legislation - an example: the UK	339
<i>Case study 42: Equity law challenge</i>	340
3 Equality issues in international context	341
Gender equality in the EU	341
<i>Case study 43: Gender equality in Britain and France</i>	343
Gender equality in China	344
<i>Case study 44: Women's managerial careers in China</i>	345
Race equality and diversity in Africa	346
Conclusions and future issues	348
<i>Case study 45: Gender equality in the former Communist countries of eastern Europe and Russia</i>	349
References	351

<b>Chapter 15 - Themes and reflections</b>	<b>357</b>
Globalisation	357
Convergence and divergence	358
Cultural variation	359
HRM challenges for the future	360
References	360
<i>Index</i>	361