International Human Resource Management

Policies and Practices for Multinational Enterprises

4th Edition

Dennis Briscoe Randall Schuler Ibraiz Tarique

> UNIVERSITAT LIECHTENSTEIN Bibliothek



NEW YORK AND LONDON

Contents

List of Figures	xi
List of Exhibits	xiii
List of Case Studies	XV
List of Acronyms	xvii
Acknowledgements	xxi
Foreword	xxiii
Introduction	1
SECTION 1: STRATEGIC CONTEXT	9
Introduction to Section 1	9
1 The Internationalization of Human Resource	
Management	11
The Drivers of the Internationalization of Business	12
The Growth and Spread of Internationalization	14
Different Settings of International Human Resource Management	17
The Development of International Human Resource Management	20
Conclusion	24
Discussion Questions	25
Case 1.1: Capitalizing on Complexity: Insights from the 2010 IBM	
Global Chief Executive Officer Study (US)	26
Case 1.2: Harry Ramsden's goes International (UK)	

2 Strategic International Human Resource Management 29

Strategic International Human Resource Management: An Introduction 30

Evolution of the Multinational Enterprise	32
MNE Business Strategy	41
IHRM Strategy	46
Research on SIHRM	49
Conclusion	53
Discussion Questions	53
Case 2.1: Ford Motor Company goes International (US)	54
Case 2.2: The Effective Global Firm of the Future (Global)	56

3 Design and Structure of the Multinational Enterprise 58

International Organizational Design and Structure: An Introduction	59
Designing the Multinational Enterprise	62
International Organizational Structure Choices	63
IHRM and International Organizational Design and Structure	73
Formal Structure and Beyond	74
Conclusion	79
Discussion Questions	80
Case 3.1: Capgemini: A Transnational Organization (France)	81
Case 3.2: Ferro: The Shift to Becoming a Global Company (US)	82

4 International Mergers and Acquisitions, Joint Ventures, and Alliances

International Combinations: An Introduction 84 IHRM and International Mergers and Acquisitions 87 IHRM and International Joint Ventures 98 **IHRM** and International Alliances 103 Conclusion 106 **Discussion Questions** 107 *Case 4.1: Comex Group: A Mexican Firm goes International (Mexico)* 108 Case 4.2: BCE's Acquisition of Teleglobe International (Canada) 109

83

SECTION 2: NATIONAL AND CULTURAL CONTEXT111Introduction to Section 2111

5	International Human Resource Management and Culture	113
	The Nature and Importance of Culture	114

Country and Regional Cultures	119
Country Culture versus MNE Culture	123
Cultural Convergence and/or Divergence	124
Research in IHRM	125
Impact of Culture on IHRM	130
Conclusion	131
Discussion Questions	131
Case 5.1: Intercultural Understanding (Global)	132
Case 5.2: Employee Death Sparks Outrage at Sourcing Factories in	
China (China)	133

6 International Employment Law, Labor Standards, and Ethics

134

The Institutional Legal Context of International Business (IB)	135
Establishment of Labor Standards by International Institutions	137
The Global Legal and Regulatory Context of MNEs	146
Comparative Law	153
The International Framework of Ethics and Labor Standards	162
Conclusion	172
Discussion Questions	172
Case 6.1: Works Councils and "Inform and Consult" in the EU:	
HP Acquires Compaq (EUAJS)	174
Case 6.2: Non-Compete Agreements and Value Partners S. A. v. Bain	
& Company (Italy/US/Brazil)	174

7 International Employee Relations

177

International Union Membership	178
Evolution of International Labor Relations and Organizations	180
Unions and Multinational Enterprises	182
MNES and Employee Relations	185
Non-Union Worker Representation	191
Litigation Risks in International Employee Relations	194
Conclusion	195
Discussion Questions	195
Case 7.1: Global Industrial Relations at Ford Motor Company	
(US/Global)	196
Case 7.2: Unions Begin to Develop in China (China)	197

SEC	TION 3: GLOBAL TALENT MANAGEMENT	199
	Introduction to Section 3	199
8	International Workforce Planning and Staffing	201
	International Workforce Planning	202
	International Staffing	207
	International Staffing Choices: Implications for MNEs	212
	International Staffing and the MNE HRM Function	214
	Conclusion	217
	Discussion Questions	217
	Case 8.1: Internationalization of a Local Manufacturer:	
	harden (US/Germany)	218
	Case 8.2: Location, Location, Location: Moving Work to Employees	
	(Global)	219
9	International Recruitment, Selection, and Repatriation	221
	Staffing with Expatriates or International Assignees	222
	The International Recruitment Function	224
	The International Selection Function	227
	Mistakes and Failures	234
	Successful Expatriation and "Best Practices"	242
	Repatriation	247
	Conclusion	250
	Discussion Questions	250
	Case 9.1: A World Marketplace for Jobs in a Project-Based Work	
	Environment (Global)	251
	Case 9.2: Firms Woo Executives from "Third" Countries (Global)	252
10	International Training and Management Development	254
	The Training Function	255
	Virtual and Global Teams	265
	Global Leadership Development	267
	Global Mindset: An Introduction	274
	Cross-Cultural Preparation and International Assignees	279
	Knowledge Management and MNEs	285
	Conclusion	286
	Discussion Questions	286
	Case 10.1: Training Managers in Malawi (Africa)	287
	Case 10.2: Competitive Advantage from Global Talent: The Case of	
	Adel Zakaria at John Deere (US/Global)	288

'_IS	$j_{j} : * j_{j} - > 4f:^,' Contents$	ix
11	International Compensation, Benefits, and Taxes	290
	International Remuneration and the MNE	292
	International Assignees and Compensation and Benefits	308
	Determinants of IA Compensation Approach	310
	International Compensation and Benefits Management	333
	Conclusion	336
	Discussion Questions	336
	Case 11.1: Compensation Problems with a Global Workforce (Global)	338
	Case 11.2: Japan's Canon Uses Incentive Compensation (Japan)	339
12	International Employee Performance Management	341
	The Performance Management Function	342
	Performance Measurement and the MNE	343
	Performance Management and International Assignees	353
	Conclusion	362
	Discussion Questions	363
	Case 12.1: Nokia Tackles Expatriate Performance Management	
	(Finland)	364
	Case 12.2: Cross-Cultural Performance Evaluation in Thailand:	
	The Case of Richard Evans, Expatriate Managing Director	365
	(Switzerland/ThailanaVUK)	303
13	Well-Being of the International Workforce, and	
	International HRIS	368
	Well-Being of the International Workforce	368
	Health and Safety and International Assignees	374
	Crisis Management	376
	Global HR Support Services and Information Systems	379
	Conclusion	384
	Discussion Questions	385
	Case 13.1: Global Health and Safety Concerns (Romania/UK)	386
	Case 13.2: AIDS Threatens Global Organizations (Africa/Global)	387
14	Comparative IHRM: Operating in Other Regions	
	and Countries	389
	Comparative IHRM	390
	HRM Issues in Europe	392
	HRM Issues in North America	394

HRM Issues in Asia	397
HRM Issues in Latin America and the Caribbean	400
IHRM and the Convergence/Divergence Debate	403
Conclusion	404
Discussion Questions	404
Case 14.1: Performance Evaluations at Indian OQTPharmaceuticals	
(India)	405
Case 14.2: The Impact of HR on Innovation: A Six-Country	
Comparison (Global)	406
SECTION 4: ROLE AND FUTURE OF IHRM	409
Introduction to Section 4	409
15 The IUDM Department Drefeesianalism and	
15 The IHRM Department, Professionalism, and Future Trends	411
Future Trends	411 412
•	
Future Trends The IHRM Department	412
Future Trends The IHRM Department Professionalization of IHRM	412 416
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM	412 416 420
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM Conclusion	412 416 420 426
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM Conclusion Discussion Questions	412 416 420 426
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM Conclusion Discussion Questions <i>Case 15.1: Becoming an HR Transnational at Germany's OBI</i>	412 416 420 426 426
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM Conclusion Discussion Questions <i>Case 15.1: Becoming an HR Transnational at Germany's OBI</i> (Germany)	412 416 420 426 426 426 <i>ATI</i>
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM Conclusion Discussion Questions Case 15.1: Becoming an HR Transnational at Germany's OBI (Germany) Case 15.2: Rio Tinto: Going Global to Last (UK)	412 416 420 426 426 <i>ATI</i> 430
Future Trends The IHRM Department Professionalization of IHRM Future of IHRM Conclusion Discussion Questions Case 15.1: Becoming an HR Transnational at Germany's OBI (Germany) Case 15.2: Rio Tinto: Going Global to Last (UK) Integrative Cases	412 416 420 426 426 426 <i>ATI</i> 430 433