International Human Resource Management

Globalization, National Systems and Multinational Companies

Tony Edwards and Chris Rees

Financial Times
Prentice Hall
is an imprint of



Harlow, England • London • New York • Boston • San Francisco • Toronto Sydney • Singapore • Hong Kong • Tokyo • Seoul • Taipei • New Delhi Cape Town • Madrid • Mexico City • Amsterdam • Munich • Paris • Milan

Contents

Contributors		xiii
Acknowledgements		xvii
1	Introduction Tony Edwards and Chris Rees	1
	Globalization versus embeddedness	2
	Cultures versus institutions	3
	Choices versus constraints	3
	Integration versus differentiation	3
	Standardization versus segmentation	3
	Collaboration versus contestation References	4 7
Part 1 THE CONTEXT FOR INTERNATIONAL HRM)
2	Globalization and multinational companies	11
	Chris Rees and Tony Edwards	1.4
	Key aims Introduction	11 11
	The globalization thesis: core propositions	12
	The globalization thesis: a critique	17
	Economic globalization: a balanced assessment	20
	Globalization and multinational companies	22
	MNCs and the state	25
	Conclusions	26
	Review questions	. 28
	Further reading	28
	References .	29
3	Cultures, institutions and management	33
	Chris Rees and Tony Edwards	
	Key aims	33
	Introduction	33
	Cultural perspectives	34
	Institutional perspectives	38
	National models of capitalism National systems and MNCs	41 42
	Conclusions	42 46
	Review questions	47
		.,

	Further reading	47
	References	47
4	Nations, regions and international HRM Phil Almond	50
	Key aims	50
	Introduction	50
	Types and numbers of national system	50
	National business systems and HRM in MNCs	55
	Management, ownership and country-of-origin effects	61
	Conclusions	63
	Review questions	63
	Further reading	64
	References	64
5	International structure and strategy in MNCs Tony Edwards and Chris Rees	67
	Key aims	67
	Introduction	67
	Defining a multinational company	. 68
	The motivations for internationalization	70
	The arrival of the 'global' firm?	75
	Key influences on strategy and structure in MNCs	78
	Case study: ABB – a test case of the transnational strategy	88
	Case study: AutoPower – shaking off its American origins?	92
	Conclusions	93
	Review questions	94
	Further reading	94
	References	95
6	Global integration and international HRM Adam Smale	98
	Key aims	98
	Introduction	98
	The case for global HRM integration	99
	HRM integration mechanisms in multinational corporations	106
	Achieving global HRM integration	110
	Case study: Globally integrating diversity management at Transco	112
	Conclusions	114
	Review questions	115
	Further reading References	115 116
_		
7	The diffusion of HR practices in MNCs Tony Edwards, Chris Rees and Miao Zhang	120
	•	420
	Key aims Introduction	120 120
	11 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	

	Contents	ix
	The 'diffusibility' of employment practices	121
	The hierarchy of economies and the diffusion of practices	123
	Case study: CFS – adaptation, absorption or retention	126
	Corporate characteristics promoting and hindering diffusion	128
	The process of diffusion	131
	Case study: Engineering Products – networking but with the centre in charge	133
	Conclusions	135
	Review questions	135
	Further reading	136
	References	136
8	HR in cross-border mergers and acquisitions	139
	Tony Edwards and Chris Rees	
	Key aims	139
	Introduction	139
	The national orientation of the parent in cross-border M&As	141
	Case study: HealthCo	143
	Restructuring at national level and the legacy of distinctive national systems	144
	The political dimension to cross-border M&As	147
	Case study: Corus	150
	Cross-border M&As and organizational learning	152
	Conclusions	157
	Review questions	158
	Further reading	158
	References	158
Pe	ert 2 THE MANAGEMENT OF INTERNATIONAL HRM	
9	International management development	163
	Jean Woodall	
	Key aims	163
	Introduction	163
	The changing scope of international management development	164
	Learning theory and international management development	167
	International management development initiatives	171
	Case study: Inter-InsuranceCo	178
	Future developments	179
	Review questions ,	180
	Further reading	180
	References	181
10	Recruitment and selection of international managers	184
	Fiona Moore	
	Key aims	184
	Introduction	184
	Key concepts and definitions	185
	Criteria for recruitment	186

	Selection	191
	Case study: Hamada versus Sakai	194
	Diversity issues in international recruitment and selection	196
	The changing international manager	200
	Conclusions	201
	Review questions	202
	Further reading	202
	References	203
11	International and comparative pay and reward	206
	Guy Vernon	
	Key aims	206
	Introduction	206
	International trends in reward: uncertainty and ambiguity Cross-national variation in reward and its basis	207
		208
	Case study: Pay structures in the US and Germany – intriguing contrasts What do MNCs do with reward?	209 213
	The 'strategic space' for international reward strategy	215
	Best practice in international reward	213
	Conclusions	220
	Review questions	224
	Further reading	226
	References	226
12	International and comparative employee voice	229
	Enda Hannon	
	Key aims	229
	Introduction	229
	Employee voice, employee participation and employee involvement	230
	International regulation of employee voice	232
	The European Union as a regional system of employee voice	233
	National systems of employee voice	237
	Employee voice in 'advanced industrialized economies'	238
	Managing employee voice in 'industrializing' or 'developing' economies	244
	Conclusions	248
	Review questions References	249 249
12	International corporate social responsibility and HRM	253
	Sanjiv Sachdev	233
	Key aims	253
	Introduction	253
	Conceptual confusion	255
	HRM and CSR	256
	Case study: Cadbury's – CSR in action	257
	The rise of corporate social responsibility	258
	Codes of conduct in MNCs: management initiatives,	
	the role of audit and negotiated agreements	261

	Con	itents	xi
	Case study: Nike		264
	Conclusions		266
	Review questions		267
	Further reading		267
	References		267
14	Migration and international HRM		272
	Stephen Bach		
	Key aims		272
	Introduction		272
	International migration: dimensions and trends		273
	What shapes migration?		277
	The impact of migration		281
	HR implications		283
	Case study: Nursing		288
	Conclusions		289
	Review questions		290
	Further reading		290
	References		291
15	Outsourcing and international HRM		294
	Virginia Doellgast and Howard Gospel		
	Key aims		294
	Introduction		294
	Conceptualizing outsourcing		295
	Employment restructuring and the outsourcing decision		296
	Co-ordination of HRM across organizational boundaries		300
	Case study: 'Vendotel' - co-ordinating HRM in a multinational, call-centre ver	าdor	304
	The outsourcing of the HR function		305
	Case study: The outsourcing of HRM by P&G and Unilever		308
	Conclusions		309
	Review questions		309
	Further reading		310
	References		310
	Index .		313