



Managing Human Resources in a Global Business

Stages of International Involvement

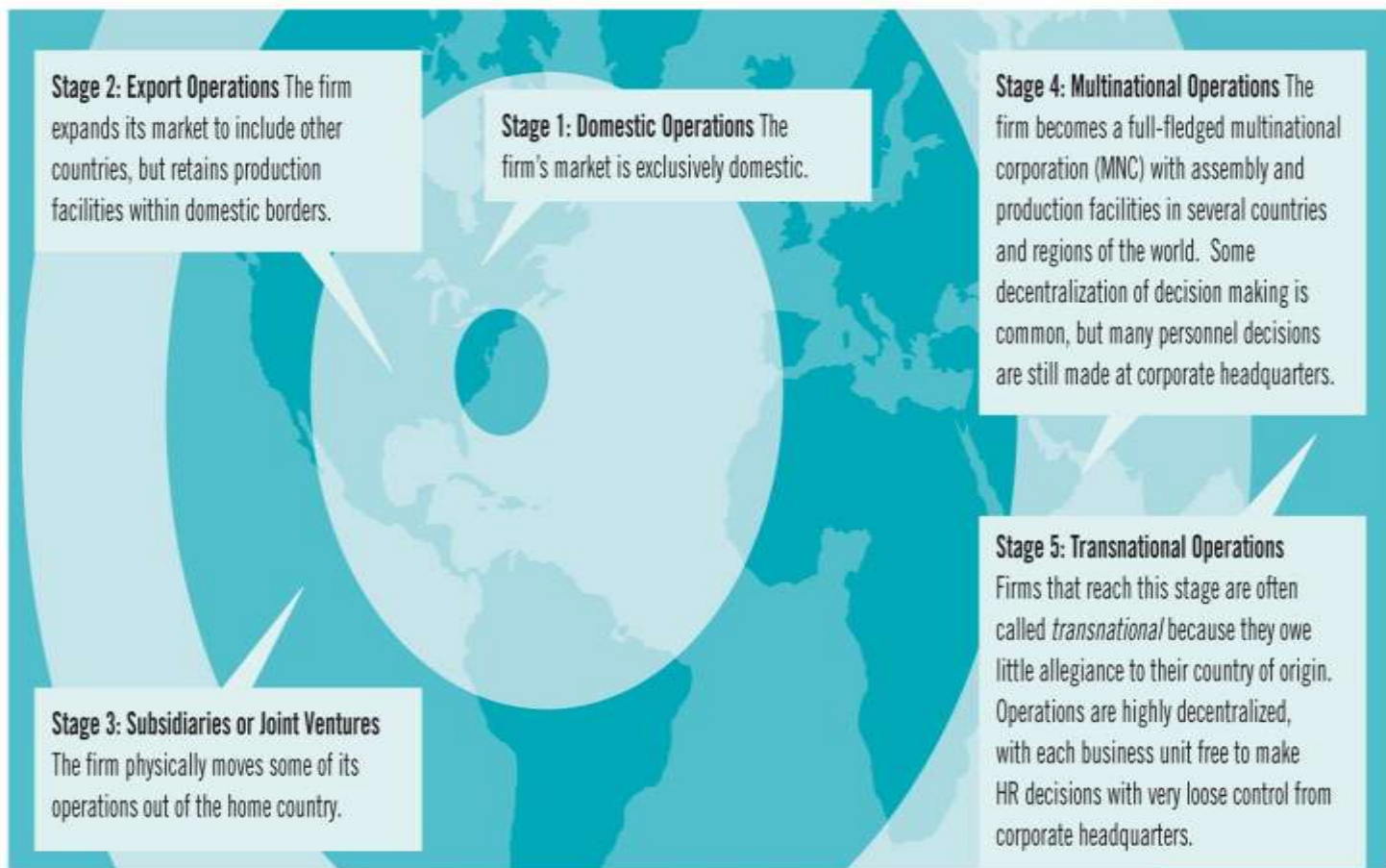


Figure 16-1 The Stages of Internationalization

Trend Toward Globalization

- New markets and new customers
- Lower labour costs
- Trade agreements

Inter-country Differences Affect HRM

Cultural factors

Economic systems

Labour cost factors

Industrial relations factors

The European Union

Three Broad Global HR Challenges

**Deployment
of skills
where
needed**

**Knowledge
and
innovation
dissemination**

**Identifying
and developing
talent on a
global basis**

International Workforce

- ***Host country national (locals):*** citizen of country where working
- ***Home-country nationals:*** citizens of home/parent country
- ***Third-country nationals:*** non-citizen of parent or host country
- ***Expatriates:*** non-citizen of country where working

Five Dimensions of Culture

Individualism

Collectivism

High Power Distance

Low Power Distance

High Uncertainty Avoidance

Low Uncertainty Avoidance

Masculinity

Femininity

Long-Term Orientation

Short-Term Orientation

Expatriate Assignments

Why they Fail

Career Blockage
Culture Shock
Lack of Training
Technical Emphasis
Poor Selection
Family Problems

Difficulties Upon Return

Downplaying Skills
Loss of Status
Poor Planning
Reverse Culture Shock

Selecting Employees in a Global Labour Market

- **Basic principles for selection of employees for international assignments:**
 - Competency in the employee's area of expertise
 - Ability to communicate
 - Flexibility and tolerance for ambiguity
 - Sensitivity to cultural differences
 - Motivation to succeed
 - Enjoyment of challenges
 - Willingness to learn
 - Support from family members

Cross-Cultural Preparation and Performance Management

- Departure preparation
- Assignment preparation
- Return home preparation

Policies for Assigning Expatriates

Training

Length of Stay	Length and Level of Training	Cross-Cultural Training Approach
1–3 years	1–2 months+ High	Impression Approach Assessment centre Field experiences Simulations Sensitivity training Extensive language training
2–12 months	1–4 weeks Moderate	Affective Approach Language training Role-playing Critical incidents Cases Stress-reduction training Moderate language training
1 month or less	Less than a week Low	Information-Giving Approach Area briefings Cultural briefings Films/books Use of interpreters “Survival-level” language training

Figure 16–3 Three Approaches to Cross-Cultural Training

Source: Adapted from Mendenhall, M., & Oddou, G. (1986). Acculturation profiles of expatriate managers: Implications for cross-cultural training. *Columbia Journal of World Business*, 78. Copyright 1986. *Columbia Journal of World Business*. Reprinted with permission.

International Labour Relations

- Requires working with various unions
- Tactical decisions are handled locally
- Adaptation to various social, economic and legal contexts

FIGURE 17.2 Ten Best Practices for Foreign Assignments

- Recruit people with competencies for international assignments.
- Make assignments part of career development and succession planning.
- Pre-screening of individuals is key.
- Look beyond technical skills; people skills and progressive leadership styles are critical to a successful assignment.
- Screen for international readiness using behavioural testing methods.
- Provide cultural training for all family members.
- Outline a repatriation plan up front.
- Maintain a pool of pre-qualified individuals to draw from in responses to changes in business conditions.
- Communicate and involve expatriates in home company news and affairs on a regular basis.
- Be flexible and have contingency plans in place.

Source: Adapted from S. Cryne, "Foreign Assignments Increasing, Along with Employee Resistance," *Canadian HR Reporter*, September 27, 2004, p. 9. Reproduced by permission of *Canadian HR Reporter*, Carswell, One Corporate Plaza, 2075 Kennedy Road, Scarborough, ON M1T 3V4.

TABLE 17.2 Summary of Best Global HR Practices

Do ...	Don't ...
<ul style="list-style-type: none">• Work within existing local systems—integrate global tools into local systems	<ul style="list-style-type: none">• Try to do everything the same way everywhere
<ul style="list-style-type: none">• Create a strong corporate culture	<ul style="list-style-type: none">• Yield to every claim that “we’re different”—make them prove it
<ul style="list-style-type: none">• Create a global network for system development—global input is critical	<ul style="list-style-type: none">• Force a global system on local people
<ul style="list-style-type: none">• Treat local people as equal partners in system development	<ul style="list-style-type: none">• Use local people for implementation
<ul style="list-style-type: none">• Assess common elements across geographies	<ul style="list-style-type: none">• Use the same tools globally, unless you can show that they really work and are culturally appropriate
<ul style="list-style-type: none">• Focus on what to measure and allow flexibility in how to measure	<ul style="list-style-type: none">• Ignore cultural differences
<ul style="list-style-type: none">• Allow for local additions beyond core elements	<ul style="list-style-type: none">• Let technology drive your system design—you can’t assume every location has the same level of technology investment and access
<ul style="list-style-type: none">• Differentiate when necessary	<ul style="list-style-type: none">• Assume that “if we build it they will come”—you need to market your tools or system and put change management strategies in place
<ul style="list-style-type: none">• Train local people to make good decisions about which tools to use and how to do so	
<ul style="list-style-type: none">• Communicate, communicate, communicate!	
<ul style="list-style-type: none">• Dedicate resources for global HR efforts	
<ul style="list-style-type: none">• Know, or have access to someone who knows, the legal requirements in each country	

Source: Ann Marie Ryan et al., “Designing and Implementing Global Staffing Systems: Part 2—Best Practices,” *Human Resource Management*, Spring 2003, Vol. 42, No. 1, p. 93. Copyright © 2003 John Wiley & Sons. Reprinted with permission of John Wiley & Sons, Inc.