



THE GLOBAL CHALLENGE

INTERNATIONAL
HUMAN RESOURCE MANAGEMENT

BRIEF CONTENTS

- 1** The Challenges of International Human Resource Management 1
- 2** Becoming Locally Responsive 37
- 3** Achieving Global Integration 69
- 4** Structuring Coordination 105
- 5** Constructing Social Architecture 139
- 6** Acquiring Global Talent 167
- 7** Global Performance Management 199
- 8** Developing Global Leaders 231
- 9** Steering Global Mobility 265
- 10** Facilitating Change in Multinational Organizations 297
- 11** Managing Knowledge and Innovation across Borders 327
- 12** Forging Cross-Border Mergers and Acquisitions 355
- 13** Managing Alliances and Joint Ventures 389
- 14** Transforming the Global Human Resource Role 421

References 452

Index 507

CONTENTS

Preface xii

- 1** The Challenges of International Human Resource Management 1
 - Overview** 3
 - Defying Borders: What's New?** 3
 - International Operations in the Pre-Industrial Era 3
 - The Impact of Industrialization 4
 - Prelude to the Modern Era 4
 - Emergence of the Modern Multinational** 6
 - Deepening of Globalization 6
 - The Roadmap for Managing Global Tensions 8
 - The Transnational Solution 10
 - Global Control and Coordination and the Evolution of International HRM 11
 - Business Strategy and Organizational Capabilities** 13
 - Organizational Capabilities 14
 - Organizational Capabilities in Multinational Firms 17
 - The HRM Wheel** 17
 - Setting the Guiding Principles 18
 - Designing Core HR Practices 22
 - Defining HR Functional Roles 24
 - Focusing on Organizational Outcomes 26
 - Dualities and HRM in the Transnational 28
 - Outline of this Book** 31
 - Takeaways* 32
 - Notes* 33
- 2** Becoming Locally Responsive 37
 - Overview** 39
 - The Importance of Local Responsiveness** 39
 - Business Advantages of Local Responsiveness 40
 - People Challenges of Local Responsiveness 41
 - Understanding Diversity** 42
 - Know Yourself and Others: The Cultural Perspective 42
 - Know Where You Are: The Institutional Perspective 48
 - Know Whom You Talk To: The Network Perspective 53
 - Five Influences on Decision-Making in the Multinational Enterprise 55
 - Implementing Localization** 56
 - Attracting and Developing Local Managers 57
 - Localization Starts at the Head Office 60

- The Limits of Responsiveness** 61
 - The Spiral Path to Transnational Organization 61
 - Local Responsiveness Does Not Necessarily Mean Playing by Local Rules 64
 - Takeaways* 64
 - Notes* 65
- 3 Achieving Global Integration** 69
 - Overview** 70
 - The Importance of Global Integration** 71
 - Advantages of Global Integration 71
 - The Tools of Global Integration 74
 - Implementing Global Integration 76
 - Supporting Global Integration Through HRM Practices** 77
 - Global Integration Through Performance Management—Output Control 77
 - Global Integration Through Socialization—Normative Control 79
 - Global Integration Through Expatriates—Personal Control 82
 - Global Integration Through Standardization—Process Control 86
 - A Transnational Approach to Global Integration** 91
 - The Limits of Meganational Integration 91
 - From Control to Coordination 93
 - Horizontal Coordination Mechanisms 96
 - Global Integration 2.0** 98
 - Takeaways* 99
 - Notes* 100
- 4 Structuring Coordination** 105
 - Overview** 106
 - Multidimensional Structures** 107
 - Emerging Forms of Global Multidimensional Structures 109
 - Leadership Implications 115
 - Lateral Steering Tools** 117
 - Lateral Leadership Roles 118
 - Lateral Steering Groups 121
 - Building Cross-Border Teams** 124
 - Foundations for Global Teamwork 125
 - Working in Cross-Border Teams 127
 - Implementing Structural Coordination** 131
 - Matrix Everything—Except the Structure 133
 - Takeaways* 134
 - Notes* 134
- 5 Constructing Social Architecture** 139
 - Overview** 140
 - Leveraging Social Capital** 141
 - What Is Social Capital and Why Do We Care About It? 142
 - How to Build and Manage Social Capital 144
 - Managing the Darker Side of Social Capital 147

	Sharing Values Globally	148
	Shared Values, Beliefs, and Norms	149
	Building Shared Values	150
	Challenges in Managing Organizational Culture	155
	Leveraging Global Mindset	157
	What Is Global Mindset?	157
	How to Develop Global Mindset	159
	Rethinking the Global Mindset Paradigm	162
	<i>Takeaways</i>	163
	<i>Notes</i>	164
6	Acquiring Global Talent	167
	Overview	169
	What Is Talent Management and Why Is It So Important?	169
	What Do We Mean by Talent?	169
	Why Is Talent Management So Important?	171
	The Challenge of Emerging Skills Gaps	173
	Balancing Acts in Talent Management	175
	Should We Build or Should We Buy?	175
	Should We Adapt (Locally) or Be Consistent (Globally)?	177
	Managing Recruitment	178
	Forecasting the Need for Recruitment	179
	Reaching Out to Attract Talent	179
	Building a Differentiated Employee Value Proposition	181
	Managing Selection	183
	Competencies: Frameworks for Selection and Talent Management	184
	Selection Methods: The Importance of Context	187
	Selection and Diversity Management	188
	The Challenges of Internal Selection (Assessment of Potential)	190
	Integrating Short and Long Term in Talent Management	193
	Developing a Talent Management Mindset	193
	<i>Takeaways</i>	195
	<i>Notes</i>	196
7	Global Performance Management	199
	Overview	201
	What Is Global Performance Management?	201
	Why Is Global Performance Management Important?	201
	The Global Performance Management Cycle	202
	The “Upstream” Side of Performance Management	203
	Developing a Shared Meaning of Objectives	204
	Building Commitment	207
	Tensions in “Upstream” Performance Management	209
	The “Downstream” Side of Performance Management	212
	Performance Appraisal Challenges	212
	Fitting Performance Appraisal with the Local Environment	213
	Providing Feedback	214
	Performance Evaluation: Linking Appraisal to Outcomes	216
	Closing the Loop: Challenges in Global Compensation	218

	Supporting Global Coordination	220
	Enabling Lateral Steering	220
	Appraising and Rewarding Global Teams	222
	Implementing Global Performance Management	223
	Who “Owns” Performance Management?	224
	Creating Differentiation	225
	<i>Takeaways</i>	227
	<i>Notes</i>	227
8	Developing Global Leaders	231
	Overview	233
	Global Leadership	233
	Global Leadership Competencies	233
	Leadership Transitions	235
	The Principles Guiding Global Leadership Development	236
	Challenge Is the Starting Point	237
	Cross-Boundary Mobility as a Key Tool	238
	People Risk Management	240
	Managing Global Leadership Development	243
	Identifying and Assessing Potential	245
	Dilemmas in the Global Leadership Development Process	248
	Developing Potential	251
	Balancing Top-Down and Bottom-Up	254
	Managing Retention	256
	Leadership Development as a Facilitator of Global Coordination	259
	<i>Takeaways</i>	260
	<i>Notes</i>	261
9	Steering Global Mobility	265
	Overview	266
	Why Mobility Matters	267
	Changing Composition of International Staff	267
	Managing Mobility	270
	Selecting Expatriates	270
	Preparing for the Assignment	274
	Adjusting to the Expatriate Role	275
	Appraising Performance and International Staff	277
	International Compensation	279
	Repatriation and Reentry	284
	A Summary of Global Mobility Best Practices	286
	Rethinking International Mobility	286
	The Tensions in the Mobility Cycle	286
	Alternatives to Traditional International Mobility	287
	Global Coordination Without Traditional Expatriates	290
	Global Mobility: Becoming Mainstream—and Less Secure	291
	<i>Takeaways</i>	291
	<i>Notes</i>	292

10	Facilitating Change in Multinational Organizations	297
	Overview	299
	Implementing Strategy Through People	299
	Building Acceptance: Is There a “Burning Platform”?	301
	Evolutionary Change: Building Acceptance Through Fair Process	302
	The <i>Five E</i> Framework	303
	The Tensions Behind Fair Process and the Five E Framework	309
	Radical Change: Using HRM Tools to Build a New Culture	310
	Six Lessons in Managing Radical Change	311
	The Role of HR in Supporting Strategic Change	315
	HR as Change Partner	315
	The Dangers of Fixation on Change	319
	Enhancing Organizational Agility	320
	Developing Strategic Sensitivity	321
	Building Leadership Unity and Collective Commitment	322
	Encouraging Resource Flexibility	322
	Riding the Cycle of Change: Toward an Ambidextrous Organization	323
	<i>Takeaways</i>	324
	<i>Notes</i>	325
11	Managing Knowledge and Innovation across Borders	327
	Overview	329
	Sharing Knowledge in the Multinational	329
	Types of Knowledge	330
	Knowledge-Sharing Challenges	330
	How to Stimulate Knowledge Sharing	332
	Knowledge Acquisition	338
	Gaining Access to External Knowledge	338
	Enhancing Knowledge Retention	341
	From Ideas to Innovations	342
	Paradoxes in How to Encourage Promising Ideas	342
	Organizing R&D Centers	346
	Transferring R&D Capabilities	348
	Dualities of Exploration and Exploitation	349
	<i>Takeaways</i>	351
	<i>Notes</i>	351
12	Forging Cross-Border Mergers and Acquisitions	355
	Overview	357
	The M&A Phenomenon	357
	Drivers of Cross-Border Acquisition	358
	How Successful Are Cross-Border M&As?	359
	A Framework for Thinking about M&As	360
	Key Human Resources Issues	364
	From Planning to Closing	365
	Planning Acquisitions: The HRM Perspective	365

	The Due Diligence Process	366
	The Human Capital Audit	367
	Cultural Due Diligence	368
	Closing the Deal	370
	The Post-Merger Integration Process	371
	The M&A Integration Agenda	371
	Managing the PMI Process	372
	People Challenges of Post-Merger Integration	377
	M&A As Organizational Capability	381
	Learning from Past Acquisitions	382
	From Learning to Action	383
	<i>Takeaways</i>	384
	<i>Notes</i>	385
13	Managing Alliances and Joint Ventures	389
	Overview	390
	The Whys and Whats of Alliances	391
	Cross-Border Alliance Business Drivers	391
	Understanding Alliances	391
	Planning and Negotiating Alliances	396
	HRM Issues in Developing an Alliance Strategy	396
	Negotiation Challenges in Joint Venture Formation	400
	Implementing Alliances	403
	Managing the Interfaces with the Parent	403
	Human Resource Management Issues in Managing the Alliance	404
	Supporting Alliance Learning	410
	Obstacles to Alliance Learning	410
	HRM Foundations for Effective Alliance Learning	412
	The Evolving Role of Alliances	416
	Managing Network Boundaries	416
	<i>Takeaways</i>	417
	<i>Notes</i>	418
14	Transforming the Global Human Resource Role	421
	Overview	423
	What is Unique about the Global HR Function?	423
	Organizing Global Human Resources	425
	Providing HR Functional Expertise	425
	HR Service Delivery	427
	Contribution to Business Decisions	431
	The Responsibilities of Local, Regional, and Global Units	432
	Where are the Boundaries of HR?	434
	Where is the External Boundary of HR's Responsibilities?	434
	The Responsibility for HRM: Line Managers or HR?	435
	Developing the Capabilities of the HR Function	436
	HR Competencies	436
	Developing HR Managers for the Transnational Firm	440

Global Challenges Worth Standing up For	441
Organizational Sustainability	442
Fighting for the Long-Term Perspective	443
The Social Implications of Globalization	444
HRM as Tension Management	446
Takeaways	448
Notes	449
References	452
Index	507