INTERNATIONAL HUMAN RESOURCE MANAGEMENT

Exploring aspects of part 1 in the coursebook

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CULTURAL, COMPARATIVE AND ORGANIZATIONAL PERSPECTIVES ON IHRM

- What is (I)HRM

- The international aspect

- Three views on culture/values/control

- Wrap-up

Do you have any experience with HRM? Either practicing it, or being exposed to it.

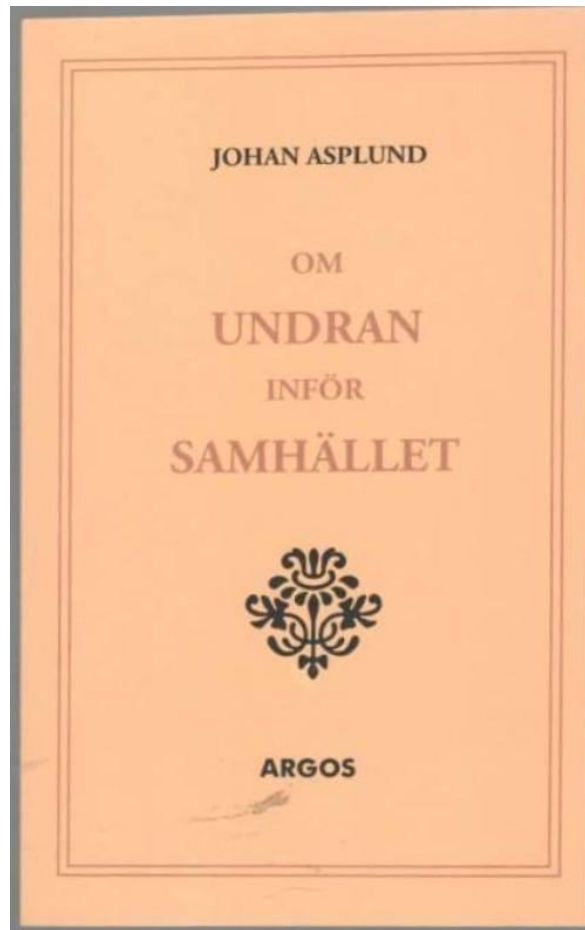If so, what were the HRM practices?

What is (I)HRM? (Grugulis, 2017)

- What makes it different from other forms of people management? Employer relations, industrial relations, labor relations, personnel management, human relations management, or scientific management?

Approaching (I)HRM a bit differently

JOHAN ASPLUND

OM

UNDRAN

INFÖR

SAMHÄLLET

ARGOS

"Aspect-seeing"

Aspektseende in Swedish

The practice of HRM

or

→ The understanding of HRM through different 'lenses'
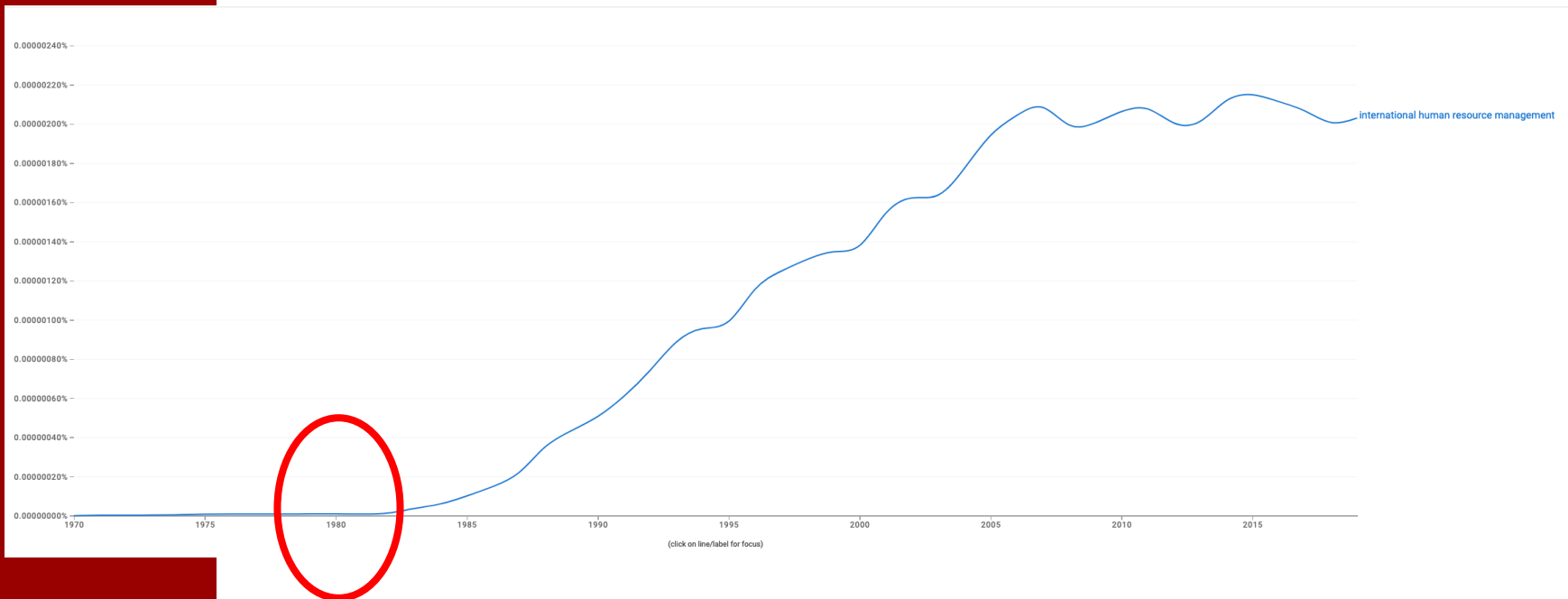
Where does HRM come from?

Source: The Wall Street Journal, 2020

Guest, D.E. (1990). Human Resource Management and the American Dream. *Journal of Management Studies, 27*(4): 377-397

Google Ngram: International Human Resource Management

Origins of HRM, cont.

HRM enabled by…

- Increasing competition in the international marketplace around the 1980s

- Declining productivity in the USA and the sense that old models for managing growth did not seem to be working

HRM merges behavioral science and business strategy

Novelty of HRM? Strategic choice in the use of HR → assumed to bring about a competitive advantage.
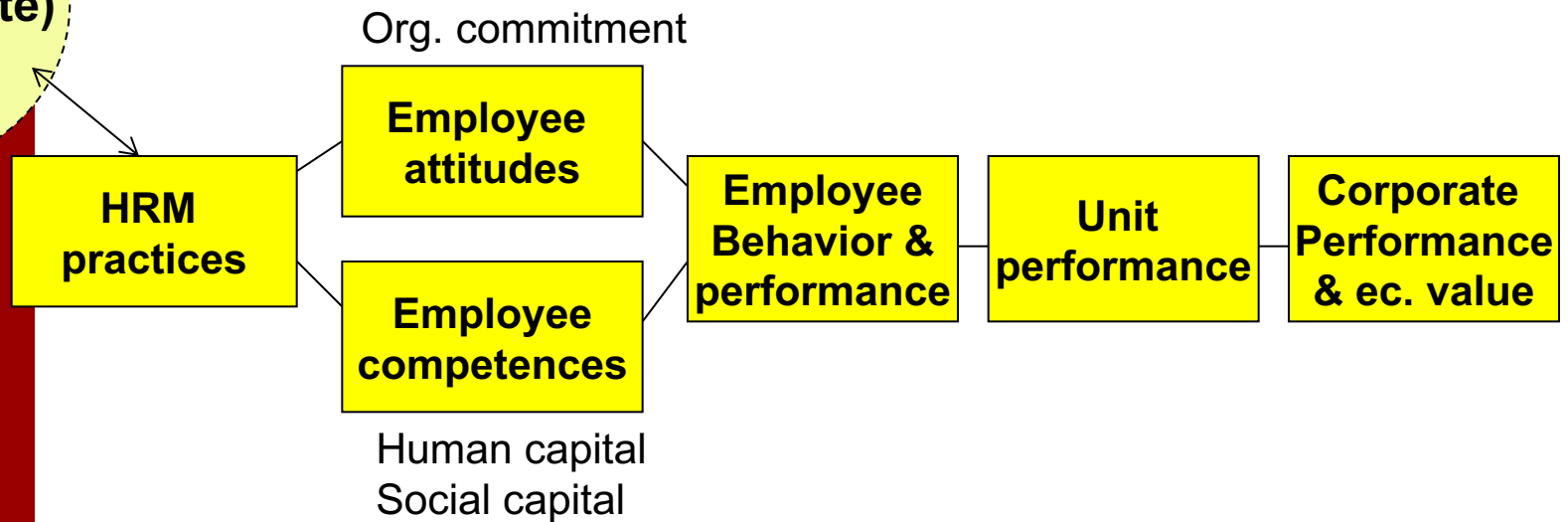
Origins of HRM, cont.

The allure and timeliness of HRM

- Rediscovery of the human side of enterprise; Reinforcing values, culture, and leadership to reach success

→ "It is American, optimistic, apparently humanistic and also superficially simple" (Guest, 1990: 379)

→ Both HRM and the American dream seems to perpetuate "rugged individualism" and "the frontier mentality"

1) A belief in the potential for human growth

2) A desire to improve the opportunities for people at work

3) A reinforcement of the importance of strong leadership, organizational culture, and entrepreneurialism

Business (or corporate) strategy

HRM practices

Org. commitment

Employee attitudes

Employee competences

Human capital
Social capital

Employee Behavior & performance

Unit performance

Corporate Performance & ec. value

Employee perceptions of HRM practices ➔ Attitudes (principle of reciprocity)
HRM practices (and daily leadership) ➔ Psychological contract

The Psychological Contract

Individual <u>perceptions</u> of their own **obligations** towards the employer, and their **expectations** towards the employer

Psychological contracts are subjective, unique & ideosyncratic

Psychological contracts can be of different nature:

Relational ---------------------------- **Transactional**

[**Commitment**-based] [**Productivity**-based]

(broad, open-ended, long term) (specific, typically $, short term)

Build on the principle and expectancy of reciprocity, balance

Psychological contract violation ➔ lower commitment & performance!

HRM as response to psychological contract

"HRM best understood as a discourse and a set of practices that attempt to reduce indeterminacy in the employment practices"

"Disciplines [such as HRM] characterize, classify, specialize; they distribute along a scale, around a norm, hierarchize individuals in relation to one another and, if necessary, disqualify and invalidate" (Foucault cited in Townley, 1993)

HRM renders individuals calculable, and hence <u>controllable</u>. By making someone knowable, they become <u>manageable</u>.

UPPSALA
UNIVERSITET

A fundamental concern in most research and practice of HRM is *functional* – that is, it reflects "concerns with improvement in efficiency that derive from classical management theory" (Townley, 1993: 518)

More than just rhetoric and 'title inflation'?

Rhetoric	Reality
Customer first	Market forces supreme
Total quality management	Doing more with less
Lean production	Mean production
Flexibility	Management 'can do' what it wants
Core and periphery	Reducing the organisations' commitments
Devolution/Delayering	Reducing the number of middle managers
Down-sizing/Right-sizing	Redundancy
New working patterns	Part-time instead of full-time
Empowerment	Making someone else take the risk and responsibility
Training and development	Manipulation
Employability	No employment security
Recognizing the contribution of the individual	Undermining the trade union and collective bargaining
Team-working	Reducing the individual's discretion

What makes HRM international?

Most knowledge of HRM comes from the USA. Assumed to be universally applicable, but… Important to understand different cultures and contexts – each country has its own form of HRM. Hence the 'comparative' aspect

HRM *mostly* found in large organizations (quite often in MNCs…)

→ "Best practice" or "Best fit"?

HRM- locally influenced

- Of all management topics HRM is most subject to local influences (Rosenzweig and Nohria, 1994).

- Different countries have different views about:
  - what HRM means (role and scope of the HRM department);
  - whose responsibility it is (specialists/line, trade unions); and
  - what the aims of it are (maximum short-term profit, preparation for the long-term, care of employees)

Hamlet's perennial question – the globalization/localization paradox… all over again…

To adapt and/or not adapt (globally standardize) HRM, that's the question

What to respect? (adapt to)

What to ignore? (standardize)

but also

What to re-create? (finding a 'third' solution)

Answering the questions requires an in depth understanding of a variety of factors:

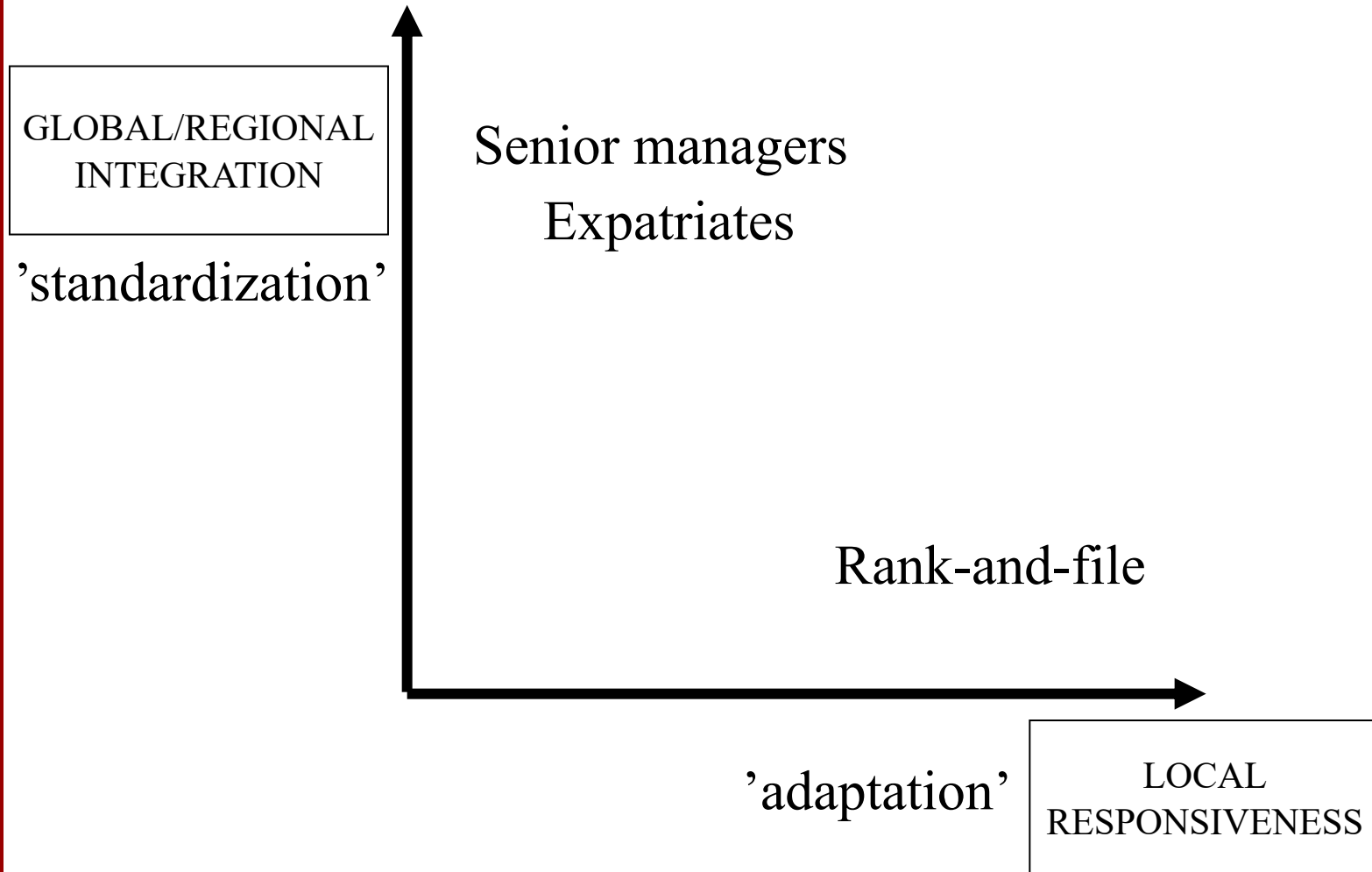External: *Cultural, Economic, Institutional (laws & norms)*

Corporate: *Degree of integration, value of HR system*

Focal unit: *Strategy, workforce, work organization, organizational culture*

Responsiveness vs. Integration Adaptation vs. standardization

GLOBAL/REGIONAL
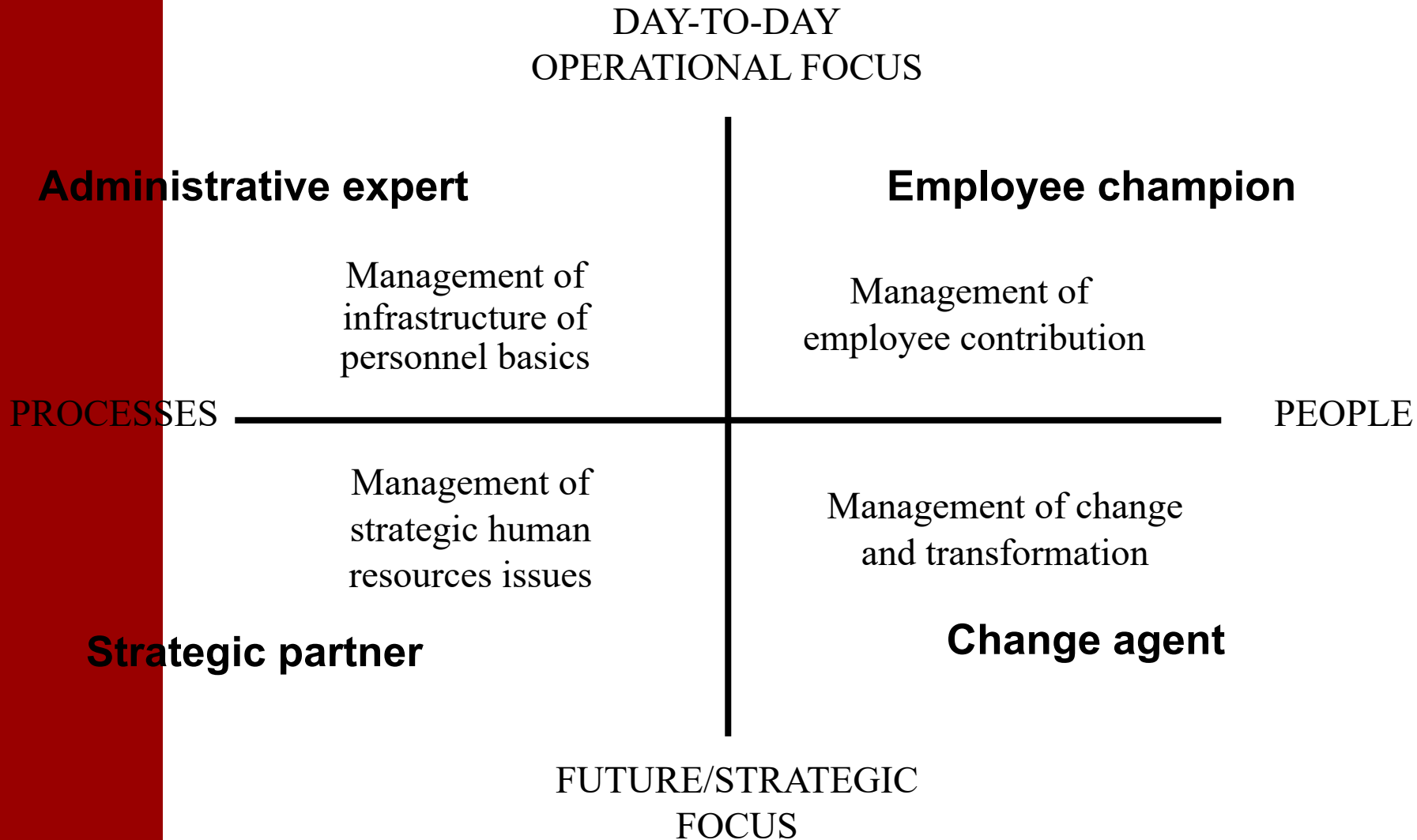INTEGRATION

Senior managers

Expatriates

'standardization'

Rank-and-file

'adaptation'

LOCAL
RESPONSIVENESS

The HR Function: Multiple Roles

DAY-TO-DAY
OPERATIONAL FOCUS

Administrative expert

Management of
infrastructure of
personnel basics

Employee champion

Management of
employee contribution

PROCESSES ———————————————————— PEOPLE

Management of
strategic human
resources issues

Management of change
and transformation

Strategic partner

Change agent

FUTURE/STRATEGIC
FOCUS

Convergence

- 'Globalization' and the role of MNCs in convergence?

- Global strategies encourage greater homogenization to create greater effi-ciency

- Best practice:
  - spreading learning; consistency; efficiency; and fairness.

- Best practice = HQ practice?

Divergence

- The influence of local contexts on HRM?

- Policies and actions that fit locally are often most efficient

- Best fit:
  - to cultural and institutional context

- Evidence: convergent trends, but still large differences between countries in the way they organize and manage their HRM.

An integrated approach

- Country of origin effect
  - MNCs have strong roots in the home country
  - CEOs often from the firms' home country
  - "national ways of doing things continue to inform the behaviour of multinationals"

- Dominance effects
  - Strong performance in one country encourages firms in other countries to 'borrow' elements of that country's business system
  - For long, the US dominated, but also Japan has been very influential
  - Practices may originate in subsidiaries

Three views on culture/values

| Positivist views: Culture and values	Interpretive views: Culture and meanings	Critical views: Culture and power
• Researchers search for laws and regularities	• Researchers search for meanings: how people make sense of their situation	• Researchers' investigation reveals silenced voices and hidden structures of inequality and domination
• Instrumental knowledge, predictions, development and test of models	• Knowledge on sense-making and cognitive processes, and on social constructions	• Knowledge that questions and challenges, exposing power relationships and inequalities
Example: Cultural dimension constructs such as 'Power Distance' or 'Assertiveness', value-dimensions valid across many countries	Example: Meaning systems associated to notions such as 'leadership', 'job description' or 'competence'. Local and specific knowledge	Example: Talks about 'culture differences' can be used to masquerade another issue (of power). Unveils structures of domination with local and specific examples

Traditional view of culture

- Umbrella term often used for differences in:
  - Etiquette (e.g. greetings)
  - Customs (e.g. routines for sleeping, bathing)
  - Ways of thinking (e.g., cognitive schema)
  - Ways of doing (e.g., value structures)
    - A shared system of meanings
    - Culture is learned and imprinted (it is a collective phenomenon of imprinting)
    - There are different layers of cultural programming: national culture, professional culture, corporate culture. The programming deals with both values and practices

The Determinants of Culture
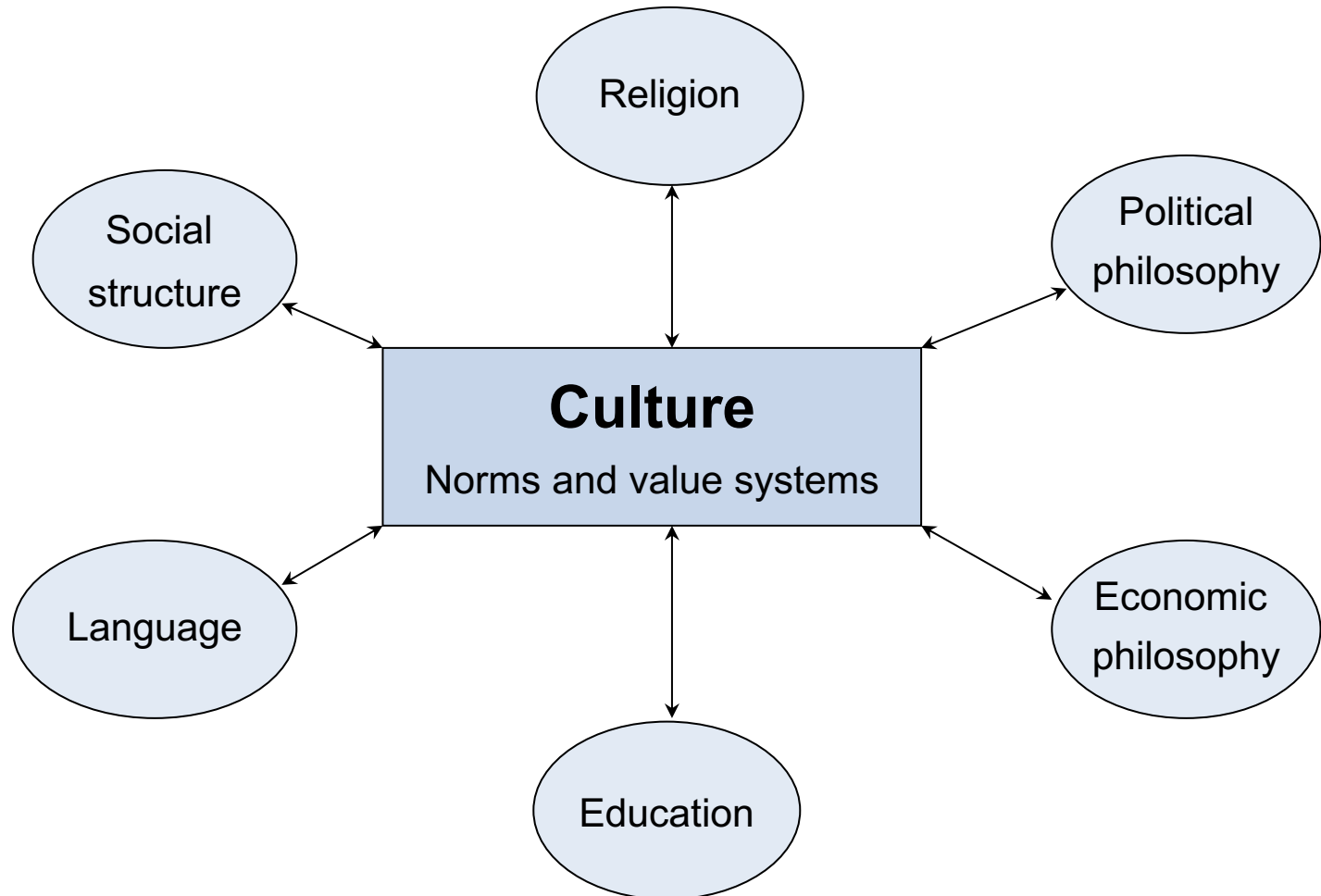
1. Positivist/Unitarist views

- Cultural dimensions are constructs used to investigate the impact of national culture on management practices across countries.

- They give an indication of tendencies and what can be expected in certain cultural environments, depending on their scores (high or low) on each cultural dimension.

- Cultural dimensions are mostly used for national-level comparisons

- Researchers: Hofstede, Schwartz, House et al (GLOBE project etc.) …

Positivist views (e.g. House et al., 2004 GLOBE project)

Global Leadership and Organizational Behaviour Effectiveness)

DIMENSION	HIGH SCORE	LOW SCORE
Power Distance	Unequal involvement of employees in a tall hierarchical structure	All the groups enjoy equal involvement in a flat hierarchical structure
Uncertainty Avoidance	Rely on formalized policies and procedures, establishing and following rules, verifying communication in writing	Show more tolerance for breaking rules. Rely on informal interactions and informal norms rather than formalized policies, procedures and rules
Future Orientation	Individuals are more intrinsically motivated	Value instant gratification and place higher priorities on immediate rewards

Culture as represented in many IB studies

- Culture is characterized in the IB/IM literature in three basic ways:
  - Reflectively
    - An individual level trait that resides deep within the individual. A degree of constancy that individuals within a 'culture' possess (Triandis)
    - A country level 'trait' that characterizes a collective population (Hofstede)
  - Formatively
    - An aggregation of measures meant to characterize groups operating within a geographic domain (Kogut-Singh)

- All of the cultural measurement approaches we use are
  - Instrumental in that they do not look at outcomes but hypothesized antecedents
  - Fundamentally deterministic (in that they do not vary at their core)
  - They do not represent realistic behavioral models, particularly at the individual level

  Additionally, IB research often looks at culture through the lens of 'elites' in certain populations (see for example how Hofstede's measures were developed)

What You Measure May Not Be What you Think You Are Measuring!

- Are people points on a cultural distribution? Or are people represented by distributions?

- Are the dimensions of culture the same for everyone?

- Are these dimensions of culture the same in all contexts all of the time? Are these dimensions always meaningful and always 'present'/observable?

- Is culture the Independent Variable or the Dependent Variable?

- What does *culture* explain that *institutions* don't? What does *culture* explain that *identity* doesn't? Or vice versa?

- What are people doing when they are being measured?
  - How do individuals "interpret" the scales?
    - What does "3" mean? or "5"? or "1"?
  - How do we compare across individuals?
    - Is my "3" your "3"?
  - Do I have an incentive to tell you that a number is "true"?
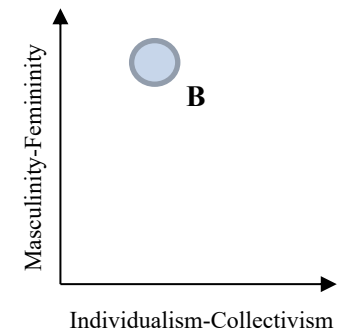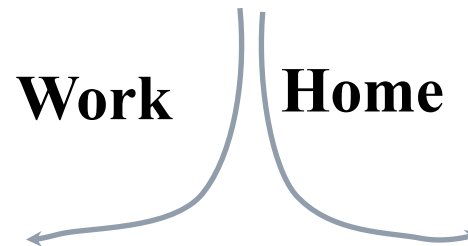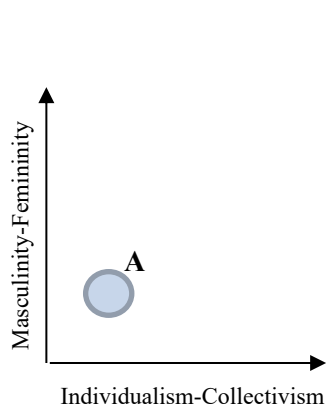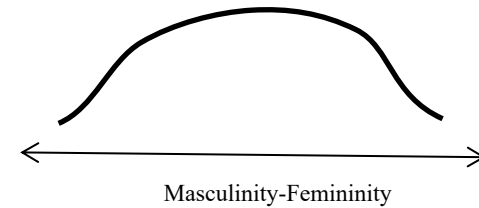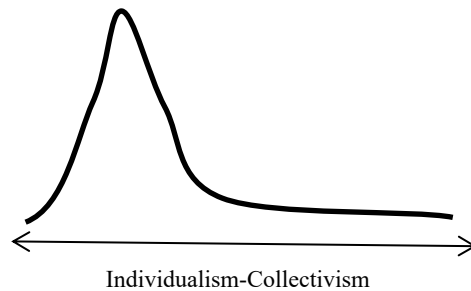   - Will I answer "5" when "1" is true?

Source: Reuters

How would you 'measure' Gianni Infantino?

The contingency of culture

2. Interpretive/Pluralist view: Culture and meanings

- People act and interact in a way that make sense to them

- The actor's point of view is seen as most relevant to explain behaviour

- Through socialization, individuals tend to develop similar interpretations; "frames of meaning"

- The same IHRM tool is interpreted differently in different countries

Interpretive/Pluralist views, cont.

- Quite a bit of qualitative research on IHRM is found within this line of research

- Similar to the issue of measurement in the more positivist view of culture/HRM, how do you talk about culture? How is culture observed?

- Although there is a mix of positivist and radical views regarding the aims of this research

3. Critical/Radical views
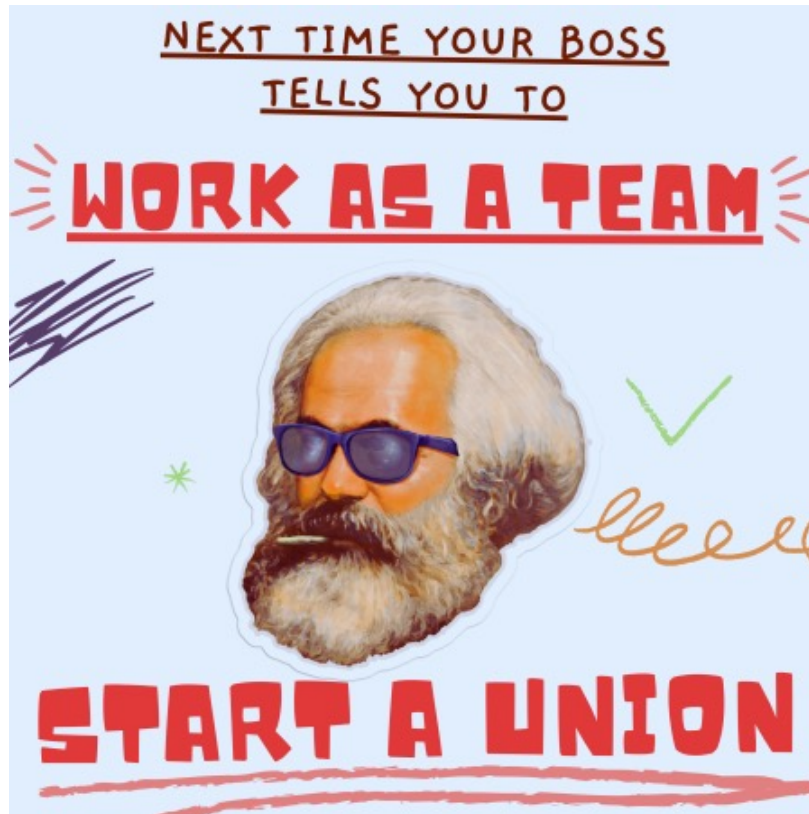
Source: Vats Designs

- Critical views search for (sometimes hidden) relationships of power and how they lead to a given situation.

- These relationships can appear, for example, in the use of words, in discourses.

- Analysis of discourses or searching for power relationships enable to grasp what is at stake for those involved in a given situation.

And for the next project, I'll be working with a new group of colleagues, with new exchanges
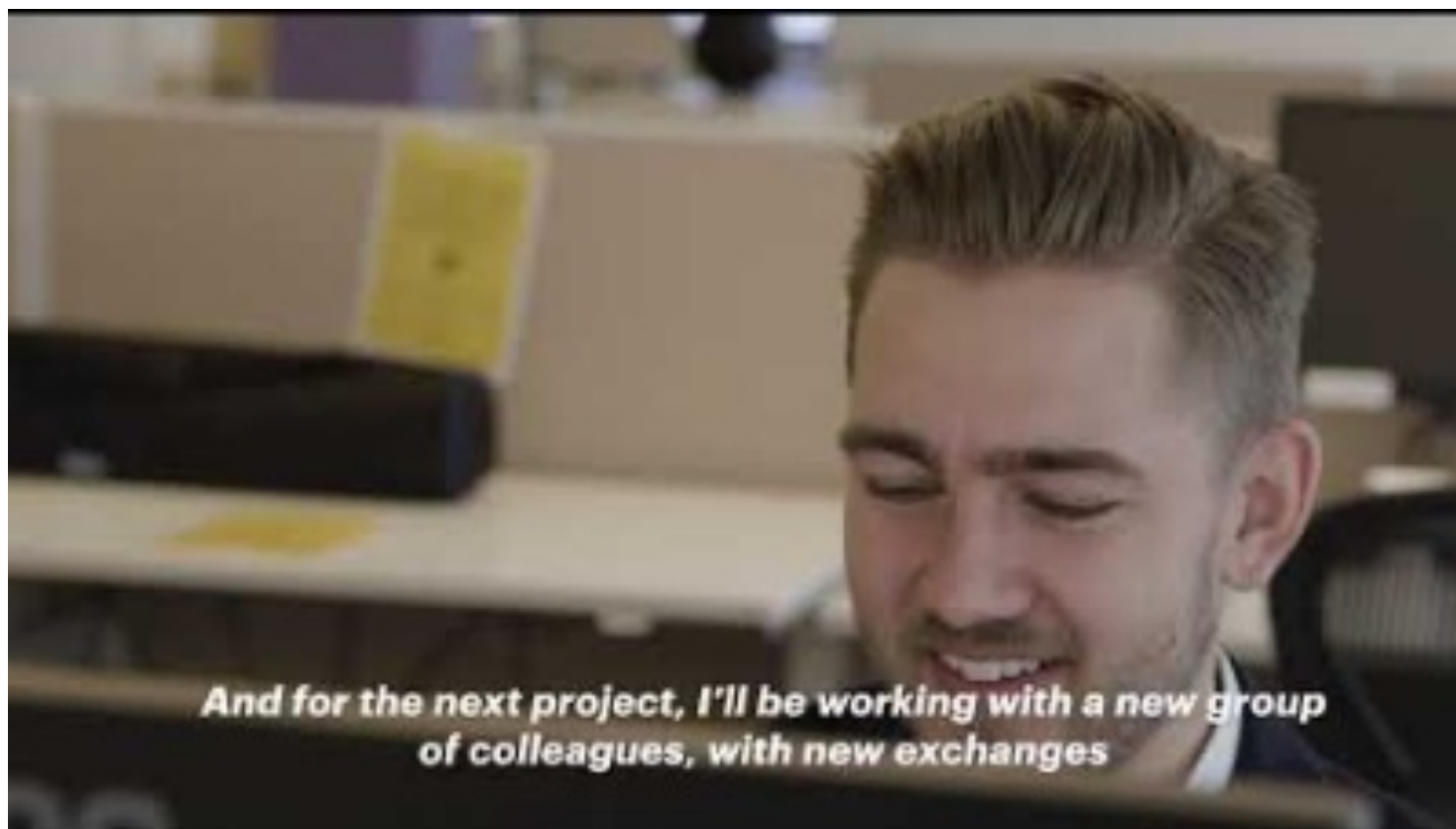
- "Under Fordism, weekends and leisure time were still relatively untouched. Their aim was to indirectly support the world of work. Today, however, capital seeks to exploit our very sociality in all spheres of life. When we all become 'human capital' we not only have a job, or perform a job. *We are the job*" (Cederström & Fleming, 2012: 7)

What does control mean?

1. Setting a standard (and giving a directive)

2. Monitoring: comparing result with the given standard/directive

3. Feedback

Usually a mixture of control mechanisms in organizations

Overall shift from direct control to normative control (perhaps because of the growth of service industries)

Different forms of control

Type of control and mechanism		Target of control	
Direct control	• Direct supervision • Face-to-face	Behaviour	
Technical	• Technology leaves no choice (e.g. assembly line)		
Bureaucratic	• Control through rules and regulations		
Output control	• Production goals • Performance goals	Output	
Normative forms of control	• Self-discipline • Culture management • Internal branding	Mind (norms of what is valued/not valued)	Normative control Concertive control Neo-normative control Brand-centred control

Normative control

- Targets minds: norms, emotions, values

- Creating normative community → People are on the same page

- Recruiting like-minded people or doing culture trainings

Assumed to lead to support, loyalty, identification, and compliance

Three eras of controlling hearts and minds

1. 'Traditional' culture management

- Normative control

2. Culture management '2.0'

- Neo-normative control

3. Internal branding

- Brand-centered control

Traditional culture management (normative control)

- Culture can be implemented and managed
    - Mission statements, brand statements, colours, official cultural values, workshops and booklets, behavior prescriptions, recruiting the 'right' people

- Collective structure of feeling and thought; internalization of cultural values; fantasy of the family

Source: IKEA

Culture management 2.0 (neo-normative control)

- Same as traditional culture management… but bringing in 'the entire person'
  - Value-based discourses; Non-work themes at workplace; Diversity and authenticity; Fun and play; Less hierarchy; 'True' selves

- Individualism (being 'yourself'); authenticity; empowerment

Source: Accenture

Source: Ernst and Young

Internal branding (brand-centered control)

- Employees should internalize the brand.
  - When 'personnel management' turned into HRM and brands turned into values
  - Normative (and/or neo-normative control); External audience (with brand awareness); Internal branding (employees represent the brand and showcase it to current and prospective employees)
- Aligning employee identity with company brand; 'live the brand' both within and outside the company
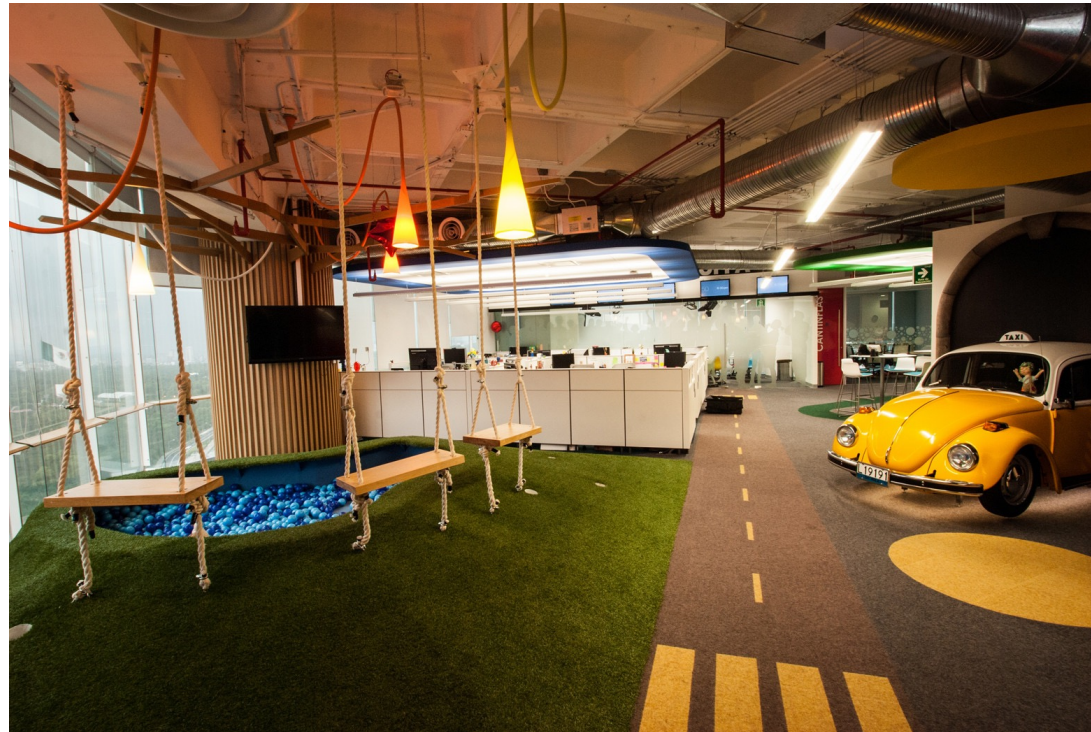
Consumption of work

- HRM practices increasingly draw upon the values and practices of consumption and individual choice (Chertkovskaya, 2020)

- "Under HRM, employees are expected to market themselves like the 'dish of the day', pointing out their best parts, which they have worked on developing. They are expected to articulate their active, consenting role in being consumed" (Dale, 2012: 14)

Source: Google Mexico

Chertkovskaya (2020):

- Image of a company

- Opportunities for self-development at work ('individual growth')

- Opportunities for consumption at work

demando

För talanger   För arbetsgivare   Blogg   Logga in   **Registrera dig**

Upptäck nya karriärmöjligheter helt anonymt

Trött på att ge dig in i långa processer utan att veta vad arbetsgivare erbjuder? På Demando anger du vad du vill jobba med, dina krav på arbetsgivaren och önskad lön. Sen låter du hundratals techbolag ta kontakt – och ser direkt vilka som kan möta dina förväntningar. Inget CV krävs och det är självklart kostnadsfritt.

Registrera dig   ▶ Så fungerar Demando
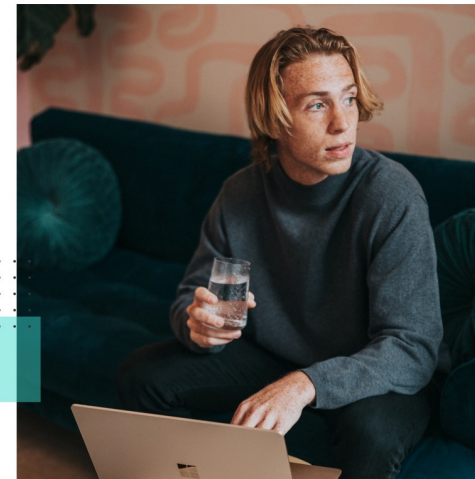
"Individuals are encouraged to live as if running a project of themselves" (Dale, 2012: 17)

IKEA

62 😊 3.8 ★★★★☆

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4.0
★★★★☆

Very productive and a family oriented environment

Forklift Operator/Supervisor (Former Employee) - Savannah, GA - March 4, 2023

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Ask a Question

Culture management and internal branding

Positive

- Employees like the culture and brand

- They feel as if they are part of something bigger

- Brand becomes ego-boost

- Brand looks good on CV

- Often involves fun

Negative

- Targets emotions as if it was brainwashing

- Identity becomes linked to the brand

- Brand becomes the central concern in one's life

- Attituted and appearance should be aligned with the brand

Whereas neo-normative control invites non-work related topics into the workplace, brand-centred control invites employees to be their branded selves even in their private lives

"THE COMPANY BELIEVES IN PERSONAL BRANDING."

Conclusion

| Positivist views	Interpretive views	Critical views
Culture and values	**Culture and meanings**	**Culture and power**
How does culture influence this situation?	What does this situation mean to those involved?	Is there a struggle between two camps?
Which are the cultural dimensions that can explain people's behaviour?	What do they associate with the situation/elements of the situation?	Who is in a position of power?
Which are the cultural dimensions' score differences between the two countries/ organizations?	What does the situation remind them of?	Who is silenced?
What are the characteristics of an environment scoring high/low on these dimensions?	Which terms, which metaphors do people use when talking about it?	What is at stake?
How does it apply here?	What are the arguments advanced, how do the arguments make sense for the participants involved?	Are people collaborating?
		What are the risks for each camp?
		What is said to be 'normal' (status quo or stated situation)? And by whom?
		Is culture talked about explicitly?
		Which stake/camp does talking about cultural differences serve?

Source: Samurai Punk Pty Ltd, 2018

"The legends serve the important purpose of reinforcing an ideal. The contemporary stories of organizations like General Motors are of the HRM or QWL achievements and not of the downsizing and closure programmes occurring simultaneously in other parts of the organization. The HRM cases can therefore help to obscure the rather less pleasant reality. Like the myths of the cowboy and the wild west which served to obscure the reality of the massacre of the Indians, so HRM can serve to obscure the assault on the union movement in the USA. HRM, then, presents the benevolent face of American management" (Guest, 1990: 393)

Wrapping up… with recommended reading for the curious student
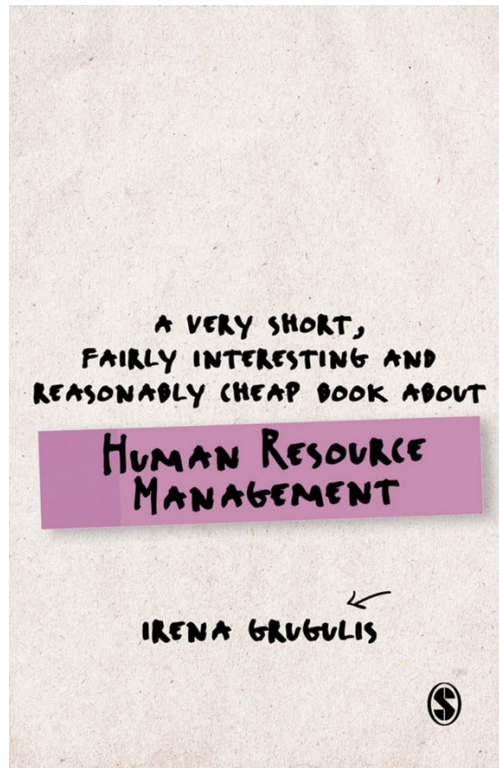
1. Townley, B. (1993). Foucault, Power/Knowledge, and Its Relevance for Human Resource Management. *The Academy of Management Review, 18*(3): 518-545.

2. Grugulis, I. (2016). *A very short, fairly interesting and reasonably cheap book about Human Resource Management*. Sage.

3. Dale, K. (2012). The employee as 'Dish of the Day': The ethics of the consuming/consumed self in human resource management. *Journal of Business Ethics, 111*, 13-24.