

Human resource practice in an era of globalization

Name:

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The advent of globalization has seen many companies expand the scope of their operations across international boundaries. This has been necessitated by the need to exploit the huge potential offered by the global market. Manners Europe is no exception. The company, whose headquarters are in the United States of America, has established stores in the Netherlands, Belgium as well the United Kingdom. The benefits arising from this expansion are phenomenal. As seen in the case of Manners, income from sales has grown exponentially and the company has firmly established itself as the global leader in the areas of lumber and sale of forest-related products.

However, this expansion has given rise numerous challenges. These have been occasioned by a conglomerate of factors arising from the varied nature of business environments in these countries. The elements of the environment that have had an impact on the organization's operations include national culture, availability of personnel, society attitudes among others. The effect of such has been seen to severely limit the success of multinationals in their international ventures. A case in point is the failure of Disneyland in Paris to achieve projected success as a result of negative perceptions among the French.

This paper seeks to provide insight into these obstacles and demonstrate how they have manifested themselves in the Manners Europe's foreign operations. It also intends to chart a path for the successful dissolution of these issues in order to facilitate the achievements of the company's goals across the cultural, religious, legislative and educational divide presented by international boundaries.

One of the biggest challenges that John Wilman, Managing Director of Manners Europe has experienced has been in the area of worker motivation. This has been especially difficult for

him to achieve as some methods that would have been very effective in the United States have failed to produce tangible results on their applications in the Netherlands. He has observed that his employees have found it difficult to put extra effort into their work as the perceived benefits are minimal. An incremental tax system has been noted to be a major contributing factor to this. Workers gain little monetary value from their extra work and end up feeling demoralised since they get the feeling that their effort is not adequately rewarded. This has especially been the case for younger workers who place greater emphasis on the monetary value of work than their older colleagues. The result has been an increased difficulty in the achievement of company goals. Workers have been observed to be unwilling to work overtime for the achievement of the organization's goals. Company activities that require the employees' extra input of time are often hard to complete on time as worker's commitment to work comes second to various entities such as family. Workers often offer lame excuses when called upon to work on overtime e.g. tennis practice. This demonstrates their lack of commitment to the achievement of the organization's goals.

The organization's culture was also seen as contradictory to some worker's way of life. Some Workers were observed to cite cultural reasons for their reluctance to work on Saturdays. This presented a barrier to their willingness to work on such days. The company's efforts at making its workers work on religious holidays was also met with stiff resistance, with some refusing to report to work. Due to these factors, the company found it very difficult to make the most out of them.

In the Netherlands, the use of commission as a way of paying workers was also resisted by some workers who felt that it demonstrated a lack of belief in their effort. This limited the use

of such tools as a means of increasing productivity and presented a challenge to the management that was accustomed to using such means to boost workers' output.

Motivating the company's contractor was also a challenging affair. This arose from the fact that he enjoyed a virtual monopoly over the company's contracts as no other company offered job completion terms that were even remotely close. The contractor displayed a laid back attitude during his last job with the company. He did not seem eager to finish the job early and delays in job completion were imminent. A computer services company was also cited as a major impediment to the timely completion of tasks. Tom was quoted as saying that the company was often late in delivering required data leading to delay in the commencement of tasks. As such, this issue presented huge hindrances to efficient and timely completion of company objectives.

Some staff members were also observed as incompetent. This resulted into John having to redo tasks such as calculation of cheque book totals in order to eliminate errors arising from such workers' jobs. The Dutch government's policy of a two month trial period was also deemed too short for the accurate evaluation of new workers and therefore, a compulsory 6 month contract was put in place that effectively lengthened the trial period. The country's laws also limited the grounds on which staff could be dismissed. As a result, some members of staff were openly defiant to authority safe in the knowledge that they could not be sacked. An accounts payable manager was observed to ignore a memo's message requiring him to work on a religious holiday.

Workers' culture was also a cause of conflict. It was seen that some expected monetary benefits on account of their education, age, marital status and financial requirements. This caused them to demand financial benefits even when their productivity hardly justified it. As this was

not in line with company policy of rewarding productivity, it was a cause of tension between the company and its workers. Such culture was also detrimental to the organization's efforts to motivate workers through financial incentives as some felt that productivity was not a factor to consider when awarding salary increments.

The lack of required manpower in Netherlands and Belgium was also a barrier to the company's effective operations. John observed that holders degrees were relatively rare in the company's European countries of operation. Holders of diplomas were noted as being skilled in very limited areas. This made the under qualified for the jobs on offer at the company. These problems are made worse by the negative attitudes that the Dutch had towards American companies. They stereotyped American firms as placing unreasonably high demands on workers. This made them avoid applying for work in firms such as John's. Holders of higher status degrees were also seen to look down upon some of the employment opportunities offered by the company. As a result, a very small portion of potential employees was willing to apply for employment in Manners Europe. The recruitment of American employees to work in foreign countries is both expensive and disadvantageous. Such workers attract numerous allowances such as travel bonuses, moving allowance and housing allowances. Americans would also require cultural orientation to minimize culture shock arising from the vastly different cultures of these countries. Hiring American workers is therefore not an option for this organization. Due to the rarity of required personnel, the company has been forced to engage the services of workers who lack the needed experience. Tom says that both the Dutch and Belgium branches have controllers who possess no previous experience. This highlights the dire human resource situation that the company finds itself in.

The legislative policies of the Netherlands s have also presented a huge obstacle to the screening process for potential workers. John says that a Dutch bank hired a former employee who had been dismissed due to theft without knowing that he had been dismissed due to theft. This shows how unfavourable legislation has made it possible for people who have unsuitable characteristics to gain employment in the country's organisations. It is likely that the bank would

not have employed the said person had it been furnished with information on his reasons for dismissal.

Negative stereotypes were also a challenge to company operations. The company's Belgium branch was critical of their manager's German identity. The workers were observed to perceive that his German identity was a contributing factor to his leadership practices led them to oppose the installation of German supervisors. The company's image also took a battering from the negative perceptions towards Germans, with some of its customers identifying the company as German and therefore opposing its presence in their country. This was a huge obstacle to the company's operations in Belgium.

In order to effectively address the various issues afflicting the company, John should enforce changes that would address the causes of some of his company's problems. On the issue of motivation, it is clear that the incremental tax structure is a discouraging factor to those who want to gain monetary benefit that is proportional to their effort. John should therefore consider the option of compensating for these lost benefits by further increasing the bonus accrued from service to the company. While this will increase labour costs, it will increase productivity and hence increase income generated. This measure should be focused on the lowest paid workers as they have been to consider value increased wages very highly compared to their highly paid colleagues. (Kovach 1986 survey). John should also ensure that work done is fully appreciated as a way of motivating workers to put even more effort in their jobs. This can be done by recognizing the timely completion of tasks. Such a strategy has been shown to be particularly effective at motivating women (Kovach 1986 survey).

The company should also put in place a system of employee awards whereby workers are rewarded on completion of clearly stated goals. The company should then eliminate any

obstacles that may hinder the accomplishment of such goals e.g uncooperative colleagues . The timing rewards should coincide with honest feedback on performance. Information on shortcomings should be conveyed using appropriate language in order to improve performance without discouraging employees. Workers can be encouraged to work as teams by stressing on the importance of teamwork. This will boost the workers' teamwork tendencies. Tasks will therefore be completed much faster increasing overall company performance.

A positive organizational culture should be adopted by the company. This will increase worker's morale and consequently boost morale. John should ensure that the link between the organization's success and attainment of personal goals is elaborated to workers. This will increase the worker's support for their organization's goals as well boost their chances of identifying with the company. This will help alleviate the problems that arise from poor organizational identity such as low morale.

Workers earning high wages have been shown to value job satisfaction higher than increased wages. It is therefore that John ensures that these workers find satisfaction from their jobs at all times. He should enrich jobs by ensuring that jobs are sufficiently challenging so as not to under use the employees' ability. Workers whose jobs are noted to make little use of their ability should be reassigned to new responsibilities. This will increase productivity amongst workers who will feel motivated by the challenge offered by their jobs. Workers over the age of 50 should be given jobs that they find interesting. This can be achieved by ensuring that they honestly state the jobs in which they would be most interested in during their interviews. The variety of jobs performed should be increased by ensuring that workers swap roles. This will reduce the probability that boredom will arise out of repetition of tasks.

John should also ensure that managers consult with workers in making decisions e.g. whether to work during holidays. Workers should also be encouraged to voice their opinions. This will ensure that they feel involved in the decision making process. By consulting with workers, the company will also be able to gain vital information on cultural factors or religious that may hinder company activity. This is especially important for Manners Europe as American ways of business may come across as unacceptable to some Europeans e.g. work on Saturdays. The company can also increase productivity among its contractors by changing the mode of payment to enhance faster completion of jobs. The company should place emphasis on the timely completion of contract jobs by altering the contract terms to provide greater reward for tasks completed within the shortest time possible. Penalties can also be introduced on the delay of services. With this in mind, contractors are likely to finish jobs faster and therefore improve company throughput on projects.

It has been shown that countries' cultures vary remarkably. One aspects of this culture is the distance between different levels of the social hierarchy. While it is very big for countries such as the United Arab Emirates, it is relatively small for countries such as the United Kingdom. This element of culture has far reaching effects on how organizations operate. For instance, since Manners Europe operates in countries that observe minimal power distances, John should ensure that leaders in his company are reachable by all. He should also ensure that workers are able to question their leaders and that communication between the leadership and staff is two way.

The management can reduce the cultural divide that exists between the company and its employees by ensuring that managerial positions are given to people who either follow the same culture as the workers or who have received comprehensive training on the same. This will

enhance the appeal of the company to workers who will be less likely to view it as foreign. The public relation managers of such companies should also have a deep understanding of the culture of the country. The company should also give preference citizens during the recruitment process for this position. This will go a long way in preventing the alienation of the firm among its customers. Citizens of the relevant countries will also be more attracted to working for a firm which comes across as belonging to their country than to a foreign firm. This way, the company can enhance its appeal among potential employees.

Since the Dutch government makes it difficult for companies to get information on workers, from previous employers, Manners Europe should make use of interviewing methods that make it possible to determine the suitability of employment of candidates. The scope of interviews should be increased so as to accommodate tests that measure the competence of workers. The use of personality tests can also be engaged in order to accurately determine the suitability of job candidates. This will improve the overall quality of hired workers.

The cultural differences that exist between the United States' corporations and their European counterparts have been shown to be a major contributor to negative perceptions by these firms amongst Europeans. The Dutch, for example, view American companies as too demanding of their workers. However, some aspects of this corporate culture can be altered. John should identify such aspects and put in place measure that can alter them to match of the country. This can be done by studying relevant cultures and identifying elements that can be adopted to enhance the company's appeal to the relevant citizenry. These include the structure of communication systems, the system of authority, the nature of relationships among employees as well as general perceptions on the companies' goals. The company can embark on a PR campaign to market itself as in touch with national cultures. It should publicly state its vision and

mission to clarify false stereotypes. This way, perceptions that come with foreign corporations can be minimized. Systems of authority can be changed to match those of the countries of operation. In this case, John should ensure that an autocratic approach to leadership is avoided as it would be in conflict of the European countries that his company operates in. A democratic mode of leadership should be adopted. This is because it best matches the mode of leadership favoured in Belgium, the Netherlands and the United Kingdom. By ensuring that leaders dialogue with staff before taking actions, the company can eliminate complaints such as those expressed by the workers in its Belgium branch

. John seems concerned about the imminent departure of the director of finance, Tom Steiger. It is of concern to him that there are no suitable candidates within the company for the position occupied by Tom. He also recognises management's preference for a European candidate but also acknowledges the high costs of hiring one from outside of the organization. At the same time, John knows that a young American will require cultural orientation before taking over Tom's role. John can solve this problem by adopting training programs to enhance the quality of his staff. This will help him nurture leaders from among them. This will be highly advantageous to the company because people from within are more likely to have a better understanding of the company's operations. Such leaders are also less likely to encounter resistance from their subordinates who will not view them as aliens. They are therefore likely to make better leaders. He can make use of methods such as company seminars and mentorship programs in order to nurture leadership qualities among the company staff. The development of candidates should be monitored to determine the effectiveness of training. This can be done by measuring performance on assigned tasks e.g. candidates can be assigned tasks such as supervision of company projects in order to ascertain whether they measure up to the impending

responsibility. The performance of the candidate should then be evaluated fairly and relevant advice given. This will enhance their growth. However, if their development is seen to be unforthcoming, John should hire a junior manager from the financial department of a firm in the same industry as Manners Europe. Such a person should then be subjected to the same training programmes as other employees to groom him for future responsibility as Manners Europe's director of finance.

The discussed proposals should be implemented as a matter of urgency if the company is to overcome the challenges it is encountering in its international ventures. The management should offer the necessary financial support for the implementation of programmes such as media campaigns by the public relations department. The company should also move with speed to restructure in order to implement the proposals explained.

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