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Human Resource Strategies for the International Manager

Janaína Carneiro da Silva
Professor, UERGS – The South Brazil State University, Brazil

Abstract:
International HR Management is a complex activity that must be carrying out by those responsible for attract, select, trainer, motivate and develop people inside a Multinational Organization.
However it's often identified that Management failures in sustainable maintain its human resources capable of develop its role efficiently.
With the grow of Multinational Organizations all over the world it urges to look at specifically HR roles on successfully undertake their responsibility more than ever, as the cost to repatriate it is a enormus burn with pain for peoples live.
This paper exams why do international HR management failures in MNE's, identify and suggests steps that MNE's can take in order to overcame management failure.
Basically the suggestions focused on a more attempt and strategic pre-assignment additional to a carefully and close follow up of its expatriates.

Keywords: International Human Resources, International Management, Multinational Corporation, International Entrepreneurship

1. Introduction

Multinational Enterprises (MNEs) are those business that carry activities and transactions across two or more national borders. Normally, their degree of internationalisation can be measure by how global[1] is the mentality and orientation of its executives being; ethnocentric the less global and geocentric the ideal global enterprise.

It is also argued that the level of understanding of the global diversity and local responsiveness of a MNE is what determines it success or failure. This paper will identify and evaluate the steps an organization can take to improve its international RH management by outlining some of the reasons for management failure in MNEs, propose correction actions and discuss their validity in the international business context.

In the first part of the paper a brief review of HR management concepts is provide in order to outline some of the reasons that might cause management failure in multinational enterprises. The idea is to identify managerial activities and point out the studies that had identified managerial practices in MNEs.

The second part of the paper concentrates on relate the reasons for management failure outlined in the first part, with possible organizational strategies that might be efficient on overcame the identified problems and help an organization to move toward a more global management mentality and orientation.

The conclusion sums up the main points of the paper recommending an organization to critically analyse its own currently management performance and reflect on the managerial framework that is internally in place in order to prevent it from failure.

2. Review of Management Concepts

One of the first authors that try to define the managerial activities was Henry Fayol (1970) 'forecast and plan, organising, commanding and co-ordinating'. The first two activities are related to organizational long term goals and the lasts with short term activities. Even though his definition was reflecting the way of mass production in the early century, several managerial posts are still filled in the light of this concept. The assumption is that if managers find the balance between long and short term activities and not only concentrate on the ones personally preferred they are adequate fulfilling their managerial role.

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[1] According to Fatehi, the evolutionary process of multinational firms can be categorized in four stages: firms with ethnocentric mentality view foreign markets as an extension of the domestic market, in polycentric firms it prevails the attitude that foreigners are different and difficult to understand, centrocentric firms assume that nations are more similar in tastes and preferences than they are different and geocentric firms view themselves as companies with no geographic centre in which no nationalities dominate the firm. (Fatehi, 1996:19-20)

A more human managerial concept approach was given by Mary Parker's (1973) 'as getting things done through people'. Even thought it does not indicates the managerial process to achieve such result, it clearly placing human resources as central channel to organizational achievement. This concept expresses the strong western view of managers as 'releasers' and 'result achievers' sounding more like leader, motivator, negotiator and inspirer. In effect, the Westminster HRM (2005:2) briefed that the lack of leadership[2] affecting UK's performance has been calling into attention to a reformulation of its management education, development standards and programmes.

Rees's (2001:2) synthesis of managerial concepts identify the 'identification of objectives, target setting, planning, resource organization, communication, motivation, feedback and control and remedial action' as the activities in the management cycle. The cycle definition is more detail and comprehensive to reflect nowadays requirements in terms of the management process in MNEs. The concept of cycle expresses process and interdependency between the activities as opposite to the scientific view of management as stunk, rational and independent activities. In addition it suggests that interaction and synergy is needed in order to achieve effective management.

Finally, it is relevant to mention that cross-cultural management is denied by Gooderham and Nordhaug (quoted by Mead, 2005:16) as 'the generation and transfer of knowledge across initial settings, organizations, and countries.' Effectively, it means that international management became complex and different from the local managerial practice as it has to deal with people form different cultures[3] and not only from the same organization. Managers in MNE assigned to other countries have on their framework different cultural stakeholders as the local government, labour unions, employee's relatives, the local community, the local press and so on.

3. Why Do Management Failures in MNES?

In the era of the global-local[4] dilemma multinational enterprises that do not manage to visioning markets changes and effectively respond to it are condemned to failure. Opportunely Fatehi says that 'the difficulty of managing an international business operation is also due to the mismatch between the managerial mentality and the progression of business from a domestic to an international posture. When operational and systemic transition from a domestic position to an international status is not accompanied by a commensurate change in managerial mentality, the firm might not succeed in international competition.' (Fatehi, 1996:18)

On form, studies in western multinationals[5] found that managerial activity, where largely fragmented and reactive showing that in practice, there is an unbalance between short and long terms activities of the management cycle by managers.

The evidence of line's managers increasing responsibilities in European MNEs seems to be tendency. However a recent study[6] showed that line managers are frequently reluctant to accept responsibility, give low priority to human resources issues, and have insufficient training, lack of interest and knowledge about legal issues. It suggests that, management will fail, if MNEs only in order to reduce costs use the strategy of flatter their organizational structure by increasing line manager's responsibility without adequate organizational support.

An additional reason put forward to management failure is the lack of specific managerial training to those in management posts. Brightman argues "…many organizations talk about the importance of good management but act otherwise. People are regularly moved into management positions with little preparation (perhaps a brief training programme) and abandoned there. The message is often, 'Oh by the way, keep doing your old (important) job and, when you can find time, manage too!'" (Brightman, 2004:48) The mistaken mentality that management is an empirical and learning by doing activity is still driving organization's failure. Attention should be give to needs of specific managerial training if an organization wants its management to succeed.

In addition, it can be considered that one of the strong reasons for management failure in MNE is the lack of cross-dimension awareness. The Hofstede's[7] study in IBM managers in 66 countries contributes to illustrated that international mangers must consider adjusting their managerial style according to the cultural characteristics of the group they are managing. In fact, the failure on

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[2] There are several leadership theories, however the general agreed concept it of the 5 traits: intelligence above average, initiative, self assurance, ability to give overview and good health.

[3] Hofstede (quoted by Swaidan and Hayes, 2005:10) defines culture as 'the collective programming of mind which distinguishes the members of one group or category of people from another'.

[4] The global-local dilemma is defined by Humes (1993) as: 'How can a multinational promote global direction and local discretion?' His analysis of more than one hundred American, European and Asian multinational includes finds as 'the more successful a multinational has been in expanding its multi-industry and multi-continental scope and scale of operation, the greater the dilemma its managers face in developing a global organization capable of mobilizing its increasingly diverse local resources.'

[5] 'Mintzberg's (quoted by Rees, 2001:3) studied American chief executives and had reviewed the results of studies of manager of lower level in other western countries. Watson had observed managers at work in the UK electronic industry.'

[6] Brewster et. al (1992)

[7] Hofstede (quoted by Swaidan and Hayes, 2005:10) identified in his research that "cultures could be contrasted along five dimensions: individualism/collectivism representing the relation between an individual and his/her fellows, power distance measuring how the individuals deal with the fact that society are unequal, uncertainty avoidance measuring how society deals with uncertainty because the future is unknown, masculinity/feminine includes the division of roles between sexes in society' (also cultural difference on aggressively/passivity; conflict/harmony in a broader view) and 'Confucian dynamism measures the extent to which a culture emphasizes long-term values in contrast to a culture that emphasizes short-term values".

considering cultural differences and carry on with the mistaken assumption that a uniform managerial style will generate the same results in, for example Chile, China or Canada might be the greatest reason for MNE failure.

It is also relevant to mention that it still practice in international organizations to promote to managerial positions on the best specialist basis, normally with no or very little management training and background. Rees's (2001:5-13) on his analysis of the international managerial practices defined such practices as the specialist versus managerial work dilemma and suggests that it is the main reason for management failure as it generates dysfunctional performance. Such dilemma is found on industries were technical knowledge is high valued as IT and chemical industries or in a highly hierarchical organization with very structured and inflexible carrier plans.

Summarising some of the reasons that might cause management failure in MNEs are: unbalance between sort terms and long term activities of the management cycle; lack of leadership skills; lack of organizational support for managers; lack of training on managerial skills, failure on considering cultural differences and the specialist and management work dilemma.

Recalling the purpose of this paper as to identify and evaluate the steps that MNEs can take to improve their management from now on the focus will be given to strategic and remedial actions that an organization can approach in order to minimize internal management failure. Even recognising that some of the outlined reasons for failure might be overcome by the own manager awareness and self-development it is assumed here that the organization is strategically in charge of providing such favourable environment or stimulus via its corporative policy.

4. Identification and Evaluation of the Steps That MNE's Can Take in Order to Overcome Management Failure
The following table intent to systematically relate the outlined reasons for management failure and the possible correctional actions that might be taking from the head office of an MNE in order to develop a more effective management response to global market. It does not aspire to be conclusive as it is understandable that only a particular/deeper organizational analysis will provide the necessary base to any remedial strategy implementation.

Reason for management failure	Correctional actions
➢ Unbalance between sort terms and long term activities of the management cycle	✓ Clearly define the different managerial roles within the organization; ✓ Monitor management performance and provided a adequate feedback;
➢ Lack of leadership	✓ Establish appropriate selection procedures to identify the leadership skills requited for the different management positions within the organization; ✓ Provide personal development programmes and incentives to current managers improve their leadership skills
➢ Lack of organizational support for line managers	✓ Define a coherent organizational structure to respond to corporate goals; ✓ Seniors managers and/or departments support and coaching to others management levels
➢ Lack of training on managerial skills ➢ Failure on considering cultural differences (myopia view of cross-cultural dimensions)	✓ Provide specific management training to ones in management posts; ✓ Provide cross-cultural awareness training;
➢ Specialist and management work dilemma	✓ Restructure or review the organizational promotion system; ✓ Select on the basis of the managerial element of the job

Table 1: Assessing Framework
Source: Elaborate by Author

4.1. Evaluation of the Correction Actions
The complex and unstable business environment that MNEs deal with requires a systemic and contingent management approach to cope with the variety of issues and responsibilities in international business. This context asks for comprehensive actions from those in charge of identify and employ managers in MNEs.

In the Humes' foreword text, Dr. Salvatore Rosseti di Valdalbero (Head of FIAT Public Affairs) says that 'The successful business is led by managers who thrive on ambiguity, change and complexity motivating human resources to their full potential!'(Humes, 1993: XV) From where it is deduced that MNEs must be able to either recruit such talents or develop them internally in order to have a successful management.

For example, Procter & Gamble[8] has a policy of recruiting from university the best profiles and give them a constant training; the emphases are for promote within the company. In this sense senior executives have begun as first line managers in the company, being stimulated to develop their leadership skills and an international perspective give by a series of two years assignments in different countries. Other companies might chose to recruit in the market; however the organization must have a policy that will drive the entrance of its management.

In order, initially a competent and strategic Human Resource Department (or service) is fundamental to such achievement. The recent McKinsey's[9] research identified on its sample of 20 European global businesses that the real perception is very different: 'international organizations are poor of good HR personnel that have the right mix skills to support business unit managers'. The research finds were that the human resource strategy were not aligned with the business strategy resulting in poor recruitment, selection, training and career planning that do not add value to company, calling for attention on this such issues.

In addition, normally the head office of MNEs is the one with strategic responsibility over the different managerial roles within the organization. Such guidance is directly influenced by the mentality and orientation of the MNE head office - ethnocentric, polycentric, centrocentric or geocentric - that will be reflected on the organizational structure - hierarchical, matrix, product, operation or country market oriented to mention some. However no management will succeed if not supported by a clear role attached to the overall organizational goals.

As well, western MNEs generally have in place strategic performance management systems in order to monitor their manager's performance. However, there are critics regarding to the assumptions and implementations of such schemes. If an adequate feedback of managers performance is not provided a good point of the performance management system will be lost as it will not contribute to the company and managers review their weak points and work on to improve it.

In practice the analyses of management performance can be use to dismiss the one's that do not pursue the organizational required skills under the justification of organizational restructure or costs reduction. In the other hand, the results of performance management systems can be use to rationally direct development programs within the organization.

Even agreed that for a MNE management to succeed there is a need to constant development of its staff, in fact the common argument for its low investment is that development programmes are costly and difficult to measure or to attribute their direct contribution toward productivity. Other explanation for some organizations not invest in development programmes is regard to some organizations expectation on its management personal commitment with their own personal development. Moreover, a awake management professional must be attempt to invest on his own development as there is no jobs forever anymore but the organization that invests on its personal is more likely to succeed than the one that does not as it can direct the development programmes contain accord to its organizational objectives.

An additional international Human Resource service within the organization is to establish appropriate recruitment and selection procedures to identify (among other skills) the leadership skills requited for the different management positions within the organization. Therefore, when such policies (clear entrance criteria) are in placing it is clearer to identify the most effective management development programmes, pay system, incentives and career plan to also stimulate current managers to improve their leadership skills.

An extra point is regarding to the clear and defined coherent organizational structure that is need in order enable adequate responses to the global market. Successful multinational enterprises like Du Pont, Philips, British Petroleum and Sony (Humes, 1993:4) have managed to change its operations and systems in order to maintain and advance their market position in the 1980's. They had re shifted their organizational structure to adequate their responsiveness in their local markets. It has also being identified that the 50 top multinational enterprises have increased the autonomy and independence of its national offices and build up more diversity in their board. It is argued, that such shift in organizational structure and systems gives more flexibility and global perception to management, helping them to delivery better results.

In Longenecker and Stansfield's (2000:25) research of 'why do plant managers failure' the finds lied heavily on what they call 'support needed for successes. One of increased agreed organizational support needed for international managers are seniors managers and/or departments support and coaching to line managers. According to Humes (1993:101) an increasing number of MNEs are using senior managers to act as mentors to younger manager. In IBM example, "such mentors have a particular vital role when younger managers are assigned overseas, when out of sight mean 'out of mind'. In Shell the more promising the candidate, the more senior the mentor; thus a change in mentorship reflects a downgrading or upgrading of management assessment of the younger person's career potential." One can note by the practice that certain MNEs use mentoring system to monitor and evaluate but also to motivate or reward young managers.

In Brotherton& Watson's (2001:525) research paper the balance between the soft (interpersonal) and hard (technical) management skills are crucial to successful management performance. Normally, the soft skills should be assessed on the selection process via psychometrical tests combined with other methods as past experience evaluation; the hard skill can be learned if it is the case by formal training or on job exercises. Therefore, if a MNE wishes to have competent management team it is advised heavily focus on

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[8] Company case study at Humes (1993:145)

[9] 'A survey of Human Resources directors at 20 European global corporations based in UK fund that services such as employee data management and recruiting are often poor executed.' The suggestion is different approaches to recruiting, training and career planning. (Lawson et. al., 2005:1)

technical management which according to Mead (2005:16) includes cross-cultural communication techniques, culture awareness and leadership as fundamental to successful international management.

In order to deal with the specialist and management work dilemma that contribute to management failure in MNEs, Rees's (2001:6) advises organizations to provide a structure where specialists can properly grow (also financially) within the company without having to apply for managerial post that they cannot cope with only in order to get a pay rise. Such movements result in dysfunctional professional that negatively affect the overall management performance, putting also down the internal managerial standards and affecting employee's morale. In other words attention must be given to the select management positions based on the managerial element of the job in the first place.

Finally, for a radical approach to management one can cite Semeler's: that says the 'key to management is to get rid of the managers' (quoted by Killian and Perez, 1998:2). However its valid to remark that Semco's restructuring process took 15 year and today, there still managers even though they have changed name to 'facilitators'.

5. Conclusion

Several factors contribute to MNE's management failure such as: unbalance between sort terms and long term activities of the management cycle; lack of leadership skills; lack of organizational support to managers; lack of training on managerial skills, failure on considering cultural differences and specialist and management work dilemma to mention a few.

It has been evaluated in this paper that the organization has a fundamental role in provide a coherent structure in order to its management succeed in the complex and uncertain global business environment.

Correction actions like managerial roles definition; appropriate management recruitment, selection and development and organizational support are just examples of proposed strategies that should be consider by an organization that is concerning on improve its management performance.

However, in order to an organization prevents its management from fail, it should critically analyse its own currently management performance, reflect on the managerial framework that is internally in place and take the appropriate actions to improve it.

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