# Contents

*List of Figures* xi  
*List of Exhibits* xiii  
*List of Case Studies* xv  
*List of Acronyms* xvii  
*Acknowledgements* xxi  
*Foreword* xxiii  

**Introduction** 1  

## SECTION 1: STRATEGIC CONTEXT 9  
Introduction to Section 1 9  

1 The Internationalization of Human Resource Management 11  

- The Drivers of the Internationalization of Business 12  
- The Growth and Spread of Internationalization 14  
- Different Settings of International Human Resource Management 17  
- The Development of International Human Resource Management 20  
- Conclusion 24  
- Discussion Questions 25  

*Case 1.1: Capitalizing on Complexity: Insights from the 2010 IBM Global Chief Executive Officer Study (US)* 26  
*Case 1.2: Harry Ramsden's goes International (UK)* 27  

2 Strategic International Human Resource Management 29  

- Strategic International Human Resource Management: An Introduction 30
Evolution of the Multinational Enterprise 32
MNE Business Strategy 41
IHRM Strategy 46
Research on SIHRM 49
Conclusion 53
Discussion Questions 53
Case 2.1: Ford Motor Company goes International (US) 54
Case 2.2: The Effective Global Firm of the Future (Global) 56

3 Design and Structure of the Multinational Enterprise 58
International Organizational Design and Structure: An Introduction 59
Designing the Multinational Enterprise 62
International Organizational Structure Choices 63
IHRM and International Organizational Design and Structure 73
Formal Structure and Beyond 74
Conclusion 79
Discussion Questions 80
Case 3.1: Capgemini: A Transnational Organization (France) 81
Case 3.2: Ferro: The Shift to Becoming a Global Company (US) 82

4 International Mergers and Acquisitions, Joint Ventures,
and Alliances 83
International Combinations: An Introduction 84
IHRM and International Mergers and Acquisitions 87
IHRM and International Joint Ventures 98
IHRM and International Alliances 103
Conclusion 106
Discussion Questions 107
Case 4.1: Comex Group: A Mexican Firm goes International (Mexico) 108
Case 4.2: BCE's Acquisition of Teleglobe International (Canada) 109

SECTION 2: NATIONAL AND CULTURAL CONTEXT 111
Introduction to Section 2 111

5 International Human Resource Management
and Culture 113
The Nature and Importance of Culture 114
Country and Regional Cultures 119
Country Culture versus MNE Culture 123
Cultural Convergence and/or Divergence 124
Research in IHRM 125
Impact of Culture on IHRM 130
Conclusion 131
Discussion Questions 131
Case 5.1: Intercultural Understanding (Global) 132
Case 5.2: Employee Death Sparks Outrage at Sourcing Factories in China (China) 133

6 International Employment Law, Labor Standards, and Ethics 134

The Institutional Legal Context of International Business (IB) 135
Establishment of Labor Standards by International Institutions 137
The Global Legal and Regulatory Context of MNEs 146
Comparative Law 153
The International Framework of Ethics and Labor Standards 162
Conclusion 172
Discussion Questions 172
Case 6.1: Works Councils and "Inform and Consult" in the EU: HP Acquires Compaq (EUAJS) 174
Case 6.2: Non-Compete Agreements and Value Partners S. A. v. Bain & Company (Italy/US/Brazil) 174

7 International Employee Relations 177

International Union Membership 178
Evolution of International Labor Relations and Organizations 180
Unions and Multinational Enterprises 182
MNES and Employee Relations 185
Non-Union Worker Representation 191
Litigation Risks in International Employee Relations 194
Conclusion 195
Discussion Questions 195
Case 7.1: Global Industrial Relations at Ford Motor Company (US/Global) 196
Case 7.2: Unions Begin to Develop in China (China) 197
## SECTION 3: GLOBAL TALENT MANAGEMENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8 International Workforce Planning and Staffing</strong></td>
<td>201</td>
</tr>
<tr>
<td>International Workforce Planning</td>
<td>202</td>
</tr>
<tr>
<td>International Staffing</td>
<td>207</td>
</tr>
<tr>
<td>International Staffing Choices: Implications for MNEs</td>
<td>212</td>
</tr>
<tr>
<td>International Staffing and the MNE HRM Function</td>
<td>214</td>
</tr>
<tr>
<td>Conclusion</td>
<td>217</td>
</tr>
<tr>
<td>Discussion Questions</td>
<td>217</td>
</tr>
<tr>
<td><em>Case 8.1: Internationalization of a Local Manufacturer: harden (US/Germany)</em></td>
<td>218</td>
</tr>
<tr>
<td><em>Case 8.2: Location, Location, Location: Moving Work to Employees (Global)</em></td>
<td>219</td>
</tr>
<tr>
<td><strong>9 International Recruitment, Selection, and Repatriation</strong></td>
<td>221</td>
</tr>
<tr>
<td>Staffing with Expatriates or International Assignees</td>
<td>222</td>
</tr>
<tr>
<td>The International Recruitment Function</td>
<td>224</td>
</tr>
<tr>
<td>The International Selection Function</td>
<td>227</td>
</tr>
<tr>
<td>Mistakes and Failures</td>
<td>234</td>
</tr>
<tr>
<td>Successful Expatriation and &quot;Best Practices&quot;</td>
<td>242</td>
</tr>
<tr>
<td>Repatriation</td>
<td>247</td>
</tr>
<tr>
<td>Conclusion</td>
<td>250</td>
</tr>
<tr>
<td>Discussion Questions</td>
<td>250</td>
</tr>
<tr>
<td><em>Case 9.1: A World Marketplace for Jobs in a Project-Based Work Environment (Global)</em></td>
<td>251</td>
</tr>
<tr>
<td><em>Case 9.2: Firms Woo Executives from &quot;Third&quot; Countries (Global)</em></td>
<td>252</td>
</tr>
<tr>
<td><strong>10 International Training and Management Development</strong></td>
<td>254</td>
</tr>
<tr>
<td>The Training Function</td>
<td>255</td>
</tr>
<tr>
<td>Virtual and Global Teams</td>
<td>265</td>
</tr>
<tr>
<td>Global Leadership Development</td>
<td>267</td>
</tr>
<tr>
<td>Global Mindset: An Introduction</td>
<td>274</td>
</tr>
<tr>
<td>Cross-Cultural Preparation and International Assignees</td>
<td>279</td>
</tr>
<tr>
<td>Knowledge Management and MNEs</td>
<td>285</td>
</tr>
<tr>
<td>Conclusion</td>
<td>286</td>
</tr>
<tr>
<td>Discussion Questions</td>
<td>286</td>
</tr>
<tr>
<td><em>Case 10.1: Training Managers in Malawi (Africa)</em></td>
<td>287</td>
</tr>
<tr>
<td><em>Case 10.2: Competitive Advantage from Global Talent: The Case of Adel Zakaria at John Deere (US/Global)</em></td>
<td>288</td>
</tr>
</tbody>
</table>
11 International Compensation, Benefits, and Taxes 290

International Remuneration and the MNE 292
International Assignees and Compensation and Benefits 308
Determinants of IA Compensation Approach 310
International Compensation and Benefits Management 333
Conclusion 336
Discussion Questions 336

Case 11.1: Compensation Problems with a Global Workforce (Global) 338
Case 11.2: Japan's Canon Uses Incentive Compensation (Japan) 339

12 International Employee Performance Management 341

The Performance Management Function 342
Performance Measurement and the MNE 343
Performance Management and International Assignees 353
Conclusion 362
Discussion Questions 363

Case 12.1: Nokia Tackles Expatriate Performance Management (Finland) 364
Case 12.2: Cross-Cultural Performance Evaluation in Thailand: The Case of Richard Evans, Expatriate Managing Director (Switzerland/Thailand/AUK) 365

13 Well-Being of the International Workforce, and International HRIS 368

Well-Being of the International Workforce 368
Health and Safety and International Assignees 374
Crisis Management 376
Global HR Support Services and Information Systems 379
Conclusion 384
Discussion Questions 385

Case 13.1: Global Health and Safety Concerns (Romania/UK) 386
Case 13.2: AIDS Threatens Global Organizations (Africa/Global) 387

14 Comparative IHRM: Operating in Other Regions and Countries 389

Comparative IHRM 390
HRM Issues in Europe 392
HRM Issues in North America 394