Managing People & Performance
Managing in context
International HRM *(10)*
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International HRM

Harris, H, Brewster, C & Sparrow, P (2003)
Comparative HRM: theory and practice.

Contextual HRM

- Overall understanding ehat is contextually unique and why
- Explanation are important, companies performance secondary
- Scope of HRM goes beyond the company

Ownership

- Europe
  - More public owned companies
- USA
  - privately held companies

Convergence

Role of the state

- USA
  - No interference
  - support getting less (unemployment)
- Europe
  - State big employer
  - Supoort getting more (unemployment)

Role of legislation

- Employment protection
  - notice period
  - severance pay
  - laws to lay off workers
- Pay and hours of work
  - Europe
    - fallen in last 2 years
    - 40h/week
  - USA
    - Went up in the last 2 years
    - >40 hours a week
- forms of employment contract
  - Europe
    - All details can be in contract made by legislation
  - USA
    - Almost free form

Unions

- Union recognition
- Employee involvement
  - work councils
- Germany
  - highly unionised
  - 4/5 are union representatives

Universalist HRM

- Improve way HR are handled strategically to achieve companies goals
- Mainly in the USA
  - careful and extensive systems for recruitment, selection and training
  - formal systems for sharing information with the individuals who work in the organisation
  - clear job design
  - local-level participation procedures
  - monitoring of attitudes
  - performance appraisals
  - properly functioning grievance procedures
  - promotion and compensation schemes that provide for the recognition and financial rewarding of high-performing members of the workforce.
- Critics
  - ignore international environment
  - considers only company level
- Strengths
  - clear focus
  - clear industry

Comparative characteristics of business

COMPARATIVE CHARACTERISTICS OF BUSINESS
(from Whitley, 1992)

1 The nature of the firm
- the degree to which private managerial hierarchies co-ordinate economic activities
- the degree of managerial discretion from owners
- specialisation of managerial capabilities and activities within authority hierarchies
- the degree to which growth is discontinuous and involves radical changes in skills and activities
- the extent to which risks are managed through mutual dependence with business patterns and employees

2 Market organisation
- the extent of long-term co-operative relations between firms within and between sectors
- the significance of intermediaries in the co-ordination of market transactions
- stability, integration and scope of business groups
- dependence of co-operative relations on personal ties and trust

3 Authoritative co-ordination and control systems
- integration and interdependence of economic activities
- impersonality of authority and subordination relations
- task, skill and role specialisation and individualisation