

**The internationalisation of HRM policies and practices:
The case of Japanese and French companies in Scotland**

Monir Tayeb and Kathryn Thory
Heriot-Watt University

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Summary

The paper will briefly discuss the culture-specific nature of HRM as a concept and the debate surrounding its implementation in practice. The findings of a qualitative in-depth investigation into HRM policies and practices of Scottish subsidiaries of two Japanese and three French multinational corporations are then presented.

The study was conducted through a semi-structured interview programme in which between 7 and 12 senior and middle managers in each company participated. These companies are chosen for the present paper because of the wide differences which exist between France and Japan in terms of cultural and socio-political characteristics and the preferred management styles of their respective domestic business organisations.

A study of their Scottish subsidiaries would enable the researchers to identify the selected Japanese and French companies' similarities and differences in HRM as practised abroad and to examine whether these are rooted in their respective home-country traditions.

The study shows a great deal of centralisation in HRM strategies and priorities in the headquarters of the companies involved. The subsidiaries appear to have autonomy in operative aspects of HRM. There are also some traces of the country-of-origin effect in all the five companies investigated.

Keywords: HRM, national culture, multinationals, parent company, subsidiary, transferability

Introduction

This paper will briefly discuss the culture-specific nature of HRM as a concept and the debate surrounding its implementation in practice. The findings of a qualitative in-depth investigation into HRM policies and practices of Scottish subsidiaries of two Japanese and three French multinational corporations are then presented.

Human resource management (HRM) has been defined in many ways and various models have been developed and discussed to tease out its specific character (see for example Legge 1995 for a thorough review and analysis of the literature). HRM is clearly rooted in its ancestor, personnel management, with a strategic slant (Legge 1989; Poole, 1990; Storey, 1992; Schuler et al., 1993). So in fact one still deals with issues such as selection, recruitment, training, remuneration, and the like, the preserve of personnel management. But all these issues are considered bearing the overall strategies of the firm in mind and the ways in which HRM can contribute to those strategies.

In addition, HRM has been viewed from two different but not necessarily incompatible perspectives (Legge, 1995): hard and soft (Storey, 1992; Hendry and Pettigrew, 1990). According to the hard model, reflecting utilitarian instrumentalism, HRM is used to drive the strategic objectives of the firm (Fomburn et al, 1984) and that human resource, the object of formal manpower planning, is a 'resource', like other factors of production, and an expense of doing business, rather than the only resource capable of turning inanimate factors of production into wealth (Tyson and Fell, 1986).

The soft model, developmental humanism view of HRM, while still emphasising the importance of integrating human resource policies with business objectives, sees this as involving treating employees as valued assets, a source of competitive advantage through their commitment, adaptability and high quality (Storey, 1992; Vaughan, 1994). According to this view, employees are proactive inputs in production processes and are capable of development, worthy of trust and collaboration, to be achieved through participation and informed choice. The stress is therefore on generating commitment via communication, motivation and leadership. If employees' commitment yields better economic performance, it is also sought as a route to greater human development (Beer and Spector, 1985; Walton, 1985; Storey, 1992).

The above-mentioned definition and major models of HRM have certain underlying assumptions which are by their nature highly culture specific (Tayeb, 2000a). The question arises therefore: Are HRM policies and practices transferable across cultures?

To start with, the concept of HRM itself is a product of Anglo-American scholarly culture rooted in their own wider societal cultures, which may or may not be either valued or appreciated as relevant elsewhere in the world (Tayeb, 2000b, Clark and Pugh, 2000).

The debate regarding the cultural roots of HRM and other organisational and managerial practices has been going on for a long time, some have highlighted the role of national culture (e.g. Hofstede, 1980), some have played it down (e.g. Hickson et al., 1981), and others have found support for both universal and culture-specific aspects of organisations (e.g. Tayeb, 1988).

There is however little doubt that many management theories, techniques and practices have their origins ultimately in the socio-cultural background of their proponents and practitioners. At the same time, there is no doubt that nations and organisations can and do learn from one another and multinational companies are among the most powerful vehicles for cross-cultural learning. There is in essence a 'happy medium' between a catch-all over-arching view of culture and a culture-free thesis as far as the transfer of HRM and other management policies and practices are concerned. Modifications and adaptations to local conditions provide such a happy medium, which in many cases is necessary for a successful cross-border transfer .

The on-going study some of whose findings are presented here builds on the first author's recent related projects (Tayeb, 1998, 1999; Tayeb and Dott, 2000) and is intended to contribute to this debate by investigating HRM policies and practices of a large sample of Scottish subsidiaries of multinational companies from various countries.

The study

Specifically, in this paper the findings of the part of the research which was conducted in the subsidiaries of two Japanese and three French multinationals are presented and discussed. This choice is made because of (a) the differences that exist between France and Japan (in terms of cultural and socio-political characteristics (Hofstede, 1980; Briggs, 1988; Lawrence, 1992; Rojot, 1993; Sorge, 1993), (b) the distinctive and largely different management styles and practices that are attributed to French and Japanese companies in general (Crozier, 1964; Dore, 1973; Denny, 1999) and (c) the reported contrast between them and their British counterparts (Graves, 1972; Tayeb, 1994; Schoenberg et al.'s, 1995).

Because of the paper's word limit the readers are referred to the above-mentioned sources for a detailed account of Japanese and French cultures and management styles.

Research objectives

The study intends to:

- identify the Japanese and French companies' similarities and differences in HRM as practised abroad - in this case Scotland,
- examine whether these are rooted in their respective home-country traditions, and
- demonstrate the extent to which the Scottish location has influenced and/or modified these multinationals' home-grown policies and practices.

The data were conducted through a semi-structured interview programme in which a sample of between 7 and 10 individuals in each company participated. This sample included the chief executive/managing director, senior managers from a number of departments, HR/personnel director, staff in charge of individual aspects of HRM and HQ expatriates working in the subsidiary site. Each interview lasted between 40 minutes to 1½ hours. The interviews were tape-recorded and subsequently transcribed. Archival and company literature and various relevant HR policy documents were also collected from company records, company web pages and brochures such as annual reports and in-house magazines. All the visits to the companies included also an accompanied tour of the premises by the researchers.

Table 1 shows the details of the five companies, referred to here by their pseudonyms to maintain their anonymity.

Table 1 about here

Findings and analysis

The Japanese-owned companies

In both subsidiaries HR strategies and policies covering areas such as recruitment, teamwork, job flexibility, built-in quality control in jobs, training, performance appraisal and pay and benefits come from the HQ. However these are communicated to the subsidiaries in a subtle but firm way, even though they are allowed some local colour. As one of the senior directors of Ise-Wan puts it:

"There is a key driver (from Japan) but its not an overtly stated driver and I think there is a balance that the Japanese have asked for. If you look at what we have done we have been independent in developing our own policies and procedures, quite independent from the States (an American subsidiary of Ise-Wan) and Japan. We've developed under almost guidelines which are nudges rather than policies and directives", which are "a broad brush thing. We put a lot of meat on them and a lot of meat come from our investment in people philosophy".

Such a subtlety of approach can also be read between the lines of what another interviewee says:

"They have given us complete authority in respect of HR. Financially they want to put us in control, they are concerned with slackness in systems and they are concerned with product integrity but other than that we are able to do anything we wish to do."

Similarly at Tosa-Wan, formally the “corporation’s stance is basically that in the overseas countries the personnel function should operate entirely autonomously. It’s fairly bizarre to have identical policies and procedures in sites in as diverse locations as Japan, China, Thailand, Malaysia and the UK. Generally the company tries to treat its employees fairly well and it’s left up to local personnel to follow local standards”. However, the Personnel Officer is a Japanese expatriate. In fact in both subsidiaries Japanese expatriates occupy a few senior positions, including Ise-Wan’s Managing Director. These managers naturally have close ties with the parents back home and have first-hand knowledge of their priorities and preferences.

In some cases non-strategic and operative aspects of HRM are also nudged and pushed gently to comply with the HQ preferences, changing also local managers’ paradigms and mind-sets along the way.

Here the HR Director of one of these subsidiaries describes graphically the process by which parent company’s ways of thinking have been introduced into the Scottish site. In the early days when they talked about giving bonuses, HR Director submitted a proposal to give staff a bonus of around £250 because they had met all their targets in the first period.

"It was agreed that we would give bonuses and I said I would arrange for payroll to pay these and the Japanese MD was horrified, he said ‘what do you mean? You've talked to me about how these people should be congratulated and looked after. If you put it in their pay packet who is going to shake their hands and say thank you? Why don't we give them cash?’ I automatically thought it was nonsense because no one uses cash in the UK [as a form of reward], certainly not pound notes, or £5 as the case may be. What he was really getting at is that the real point of contact was to thank personally rather than just shove something in the payroll. My conditioning for many, many years had been you reward someone by throwing cash in their pay packet".

One of the practices that the Japanese companies in general are particularly associated with is teamworking. The two companies in the present study seem to place a different amount of emphasis on this practice.

For Ise Wan promotion of teamworking is one of the company’s basic values, in Scotland as well as in Japan, and they employ various means to infuse it everywhere. The Scottish site for instance is currently running a "team of the month" scheme according to which teams as opposed to individual employees are assessed and rewarded. The team of the month receive £100 no matter what the team size and a representative collects the reward. They then fly the team award flag above their work station for the following month. Achieving objectives, exceeding previous month's objectives and housekeeping are some of the criteria used to measure a team's performance for team of the month, which is then announced at monthly meetings attended by all the staff.

There are however some subtle differences in teamworking between HQ and the Scottish site One Japanese interviewee for instance commented that “in Scotland employees start by identifying tasks and objectives. In Japan they will start the work and then keep reviewing it. They will allocate tasks to each individual but the most important aspect is that they are teamworking, not managing the work.”

At Tosa Wan, by contrast, there is a more relaxed view of teamworking on the part of the HQ and more resistance on the part of the local workforce. The Managing Director has not introduced the Japanese way of teamworking. His “local managers know the Japanese ways, such as TQM [total quality management) and QCs [quality circles] and are using some of those techniques”, but ignore those which do not work in Scotland. “In Japan they run QCs after work hours but they wouldn’t be able to do that here in the Scottish site. Operators would want overtime.”

According to another interviewee, Manufacturing Operations Manager, they tried implementing high performance workteams but he personally does not believe in them. "[That] all your team members should be excellent all the time in a day-to-day working environment is nonsense, because [if] they are all excellent, they all want more promotion and money, and then they self-destruct. We tried that here a number of years ago", but it did not work. He believes their success is because of the quality of the supervision that the workers receive in the site - supervisors are carefully selected, trained well in standards and culture and monitor everyone.

In both companies a certain amount of modification and adaptation takes place with regard to the practical issues which arise when implementing the HQ-generated strategies and policies. For instance, at Ise-Wan instead of having a plant-based union, a policy practised at home, they have a Members Council, which has also incidentally met with the local employees' and managers' approval.

Tosa-Wan in Japan select school leavers for operators. Initially when they set up the Scottish subsidiary the Japanese Manufacturing Manager had a preference for school leavers and teenagers and wanted the Scottish site to recruit them. He was involved in the recruitment of the first ninety employees who fulfilled this age criteria. When these young recruits were assessed on, for example, how they behaved towards their elders on site they were considered unreliable and "unaccustomed to the work ... they had no work ethic at this age". Absenteeism was also a problem at this stage. As a result, they decided to recruit older operators. Although the age of workforce is still quite young - operators are in their 20s, Tosa-Wan is the first company (aside from another Japanese multinational in the area) that significantly changed its recruitment policies in Scotland. They believe that the school-leavers policy works in Japan because youngsters are more obedient and better educated.

In both companies frequency and duration of meetings to be held at various levels of hierarchy, team versus individual bonus payments, in-house versus out-sourced training, redundancy procedures and health and safety regulations are other examples of areas in which modifications and adaptations to local customs and practices have taken place.

In early days in some cases where such changes were absolutely necessary but clashed seriously with the HQ's ways of doing things, both sides experienced tension and frustration. However, after painstaking clarifications and explanations by local managers the situation eased off and difficulties disappeared in due course. The provision of pension is a good example here. In Japan pension is based on annuity, employees receive a lump sum from the company when they retire. In Scotland it is more complicated. The managers set up trusts and trustees and found it very difficult to explain the situation to the parents. "A nightmare" was how a senior director at Ise-Wan described it. They showed comparisons of how things were made up: "this is what the company contributes in Scotland, this is what Ise-Wan in Japan contributes" and so on.

On some issues, such as redundancies, the Scots have simply chosen to have a different approach from that practised by the parent in Japan, rather than modify an HQ model. At Tosa-Wan (Scotland), for instance they make employees redundant if they have to. In Japan the company does not do so. The company offers jobs for life to its core employees; they would instead transfer them to holding divisions which, according to a Scottish manager, are like "office car parking lots" and where they "look out of the window" and have nothing to do.

Expatriation policies are company-wide in both subsidiaries, and would-be expatriates receive some information about the site and some aspects of Scotland and the UK society as a whole, such as the tax system. The pre-departure preparation includes also English language lessons for the expatriates and their families. Once in Scotland, the parent assess their performance with leniency especially with regard to the achievement of their objectives - quite similar in this respect to Tung's findings (1988). When their period of assignment is over, the expatriates go back to guaranteed jobs at home.

The French-owned companies

There are home-country expatriates in all three companies, some in managerial positions but most in technical and operational roles. Similar to the Japanese companies, there is a certain amount of centralisation of HR strategies and policies, with the HQ firmly holding the strings. However, the situation is much more explicit than is the case in the Japanese firms. Demarcation lines, although in some cases are fought vigorously and sometimes Scotland comes out as the winner, are more clearly defined. Moreover, the fight is in the open.

A few years ago the Scottish site of Corbière replaced assembly-type production methods with team-based cell manufacturing without informing the HQ. Mr X, a 72 year old at the time and an owner of the company found out accidentally that Dundee was taking managers off the shifts as part of the new system (he saw the managers as "the guys who did the business"). He was livid: "Mr X bumped into someone in the UK who said "You want to see what Dundee are doing" and immediately he said "What? You've done what?" and started flying people over for Dundee to explain themselves."

Here is how a senior manager in Corbière discusses the company's structure:

“[The company] has been through a series of decentralisation and centralisation cycles. Today it operates in a schizophrenic manner, it wants to be decentralised but is afraid to do so... In theory the company can only work [to a decentralised model] but in practice the world is so complex and difficult that HQ wants to control it too.”

The same manager believes that decentralisation will win overall. He sees the Scottish site as being responsible for working out its future - “HQ is too remote to do that”. He views decentralisation as being the only method to deal with the complexities of the local environment.

The three companies, although at strategic levels they follow similar models and approaches to one another, in certain details, both at macro and micro levels, differ from one another quite considerably. Corbière emphasises its Frenchness very explicitly:

"We are not a multinational company, we are a French national company who happens to have a factory in Scotland. We are a very French company, we are a French multinational, family oriented, very paternal, very proud, very conservative with a small 'c', a very catholic company with a small 'c'. That filters out from Clermont to Massif Central to Dundee"

"It's most obvious in the fact that many of our processes, machines and terminology are French and that we rely upon a whole number of central functions in France. Our [products] are designed in France, our marketing policies largely originate from France, we are part of a division within Corbière where my boss's boss is French and is based in France and although we operate as a business unit as far as we can we are by no means independent."

French is the common language in the company throughout the world but there is an increasing Anglo-Saxon influence because of the growing American markets. Generally, communications across European sites are in French. People who have a lot of contact with HQ must speak French. Most of the senior managers in Dundee speak French except for the Personnel Manager “because HR tends to be local.”

Sancerrois, originally a part of British Steel was acquired by Loire (pseudonym) a few years ago, and although it is a global organisation it wants to remain French. However, partly because of the origins of the Scottish site and the good rapport between British Steel and Loire prior to the acquisition, the relationship between the HQ and the subsidiary is based on mutual understanding and learning.

Three key positions, including that of the Manufacturing Manager, who oversees both sites, and the Imperial Works Manufacturing Manager (main site), are held by French nationals. They are here to install the main manufacturing initiatives operating in France. As one of the Frenchmen commented, “the objective is not to invade the Scottish site with lots of French employees, but to transfer manufacturing practices that are in operation in France.” Indeed the local General Manager was not forced to employ the French expatriates and he sees their presence as adding considerable knowledge and expertise to the factories. All have settled in well at the Scottish sites and are well liked by everyone. These harmonious relations were aided by the first Frenchman who arrived on the site. He had a good sense of humour which the Scots appreciated and which broke the ice and helped the locals to accept the presence of consecutive French expatriates.

The French are very keen to learn how the business is run and require meticulous figures and information from Scotland every month on, for example, sales, profits and losses. Loire rigorously audit and benchmark all of their subsidiaries, which initially caused the Scottish site to be a little secretive. This has changed into a more co-operative alliance now. “France has a wealth of manufacturing ideas and insights, such as quality programmes and improving cycle times, to which Scotland has access.” The French have a very practical approach towards their businesses - if someone else is doing something better then they make the information about that particular practice available to all sites. They have thus successfully transferred certain manufacturing practices to many other sites.

The Scottish site were operating cell manufacturing (CM) before the French ownership but have since successfully adopted the more sophisticated French CM practices which include self-managed teams. Their success was aided by the level and availability of technical expertise from French engineers and their in-depth preparations before implementation.

However, there are some manufacturing practices that Scotland has not implemented, such as the French method of pipe heating. They have 20 years of experience and are proud of their practices and their heating methods are considered by customers and other subsidiaries to be of high quality.

The French have brought with them some of their management styles, at both intellectual and practical levels, to Scotland.

The Scottish General Manager has been interested in the intellectual aspects of French management: "because the senior French management in Loire all went to the same *grande école* they all think alike and they apply their methods effectively to learn rapidly about the business." Their approach is characterised by logic and meticulousness, "this is what I said in 94, 95, 96; this is where we are going in 99 and this is why". They take a more strategic approach than do their Scottish counterparts. One manager attributed their approach to a broader educational background at undergraduate level, compared to British university degree courses: "In France managers have less specific degrees - they take a global overview". Scottish management see this [global overview] as a good discipline and have adopted a similar approach, without any difficulty.

At a more practical level, when the site was owned by British Steel, the General Manager would meet with his bosses once a month for about two hours, discuss objectives (3 manufacturing sites representatives would be present), and there would be one phone call a month from his immediate superior. Now, he and his French manager meet frequently and discuss in great detail the running of the business. He thinks he has benefited from the French influence, in some ways he is more enlightened about the business and has learnt to be more 'hands on' like the French.

Expatriates do not receive any specific pre-departure training, but benefits are good when they move over to Scotland. They report to French management for salary and career progression, and Scottish management for practical issues.

The third company, Hautes-Alpes, used to have a hands-off policy with regard to its subsidiary in Aberdeen. The HQ was parochial and insular. It had little understanding of what Aberdeen was doing and let Aberdeen operate independently. Neither side cared what the other was doing. The company's policy was to fill local senior management positions with local staff. Eventually, the HQ realised that they required more knowledge about the Scottish site. A French HR manager came over to Aberdeen to develop their international grading system and to implement some French policies. Since then there has been a gradual change and the Scottish site has become more of a French subsidiary - "Although we are an international company, we are a very French company and most people are very honest about that."

The French parent has never forced any HR policy or practice upon Aberdeen. The Scottish site never receives any verbal or written directives from France - just the exchange of ideas. However, the subsidiary should have a good reason for implementing any of their own practices. Pay and benefits are examples of such "a good reason". Here Aberdeen has developed its own policies, mainly because of the competitive labour market in which it operates. One of the managers, talking about pay and benefits structure, comments thus:

"In our case after over 20 years the Centre recognises that we are a reservoir of expertise. People come into and go out of this reservoir. They also recognise we do certain things here that they do not yet do in Paris, they are interested in and keep track of what we are doing.

We keep an eye on our competitors here and keep up with them. If we don't pay the local rate [which is much higher than in Paris] we won't be able to attract and keep talented skilled professionals. They [Centre] like to have a window to the Anglo-Saxon world, they would like to know what Mobil, Texaco and BP are doing here. In France there are only two oil companies, [X] and [us], there is nothing else. They know we have a sophisticated grading system and we also have a feel for local market. Our skills in coping and dealing with competition are useful to the Centre."

According to the French HR Manager based in Aberdeen, the site has been given autonomy because (a) it is located in a developed country, and (b) since the end of WW2 personnel/HRM has been

developed in the west through Anglo-American theories. However, Hautes-Alpes does not like to be seen to be learning from others, especially the Americans. As one of the interviewees says,

“The one thing that will guarantee a backward move in our company is if you talk about Americanisation. There is a very strong sort of ‘if its American, we don’t want to know’. One talks in terms of increasing openness or improved communications, we don’t talk in terms of introducing Americanism ... They recognise the success of American companies but don’t want to be seen to be taking their practices ... If they can be introduced without an American label and see the sense in it they will do it.”

Common language of the company, in contrast to Corbières, is both English and French, depending on where a meeting is held.

“If you were in Paris you wouldn’t last two months without French. If a meeting is held in Aberdeen it will be in English. The Frenchman will struggle with his English even if the rest speak French. If there is one British person and the rest are French in a meeting in Aberdeen the meeting will be in French if the British speaks good French.”

There may also be some other reasons, perhaps cultural, why the HQ and Scottish site adopt certain different practices. Teamworking is a good example. Aberdeen is very much teamwork orientated whereas Paris is not. Basically, at the HQ “if someone is given a job to do, possibly a complicated task, they will do it and present it and there may be discussion or actions following from it.” There is not for instance any of the multidisciplinary taskforce groups and the constant forming and disbanding of teams that Aberdeen have. The structure of the building in which the company is housed simply does not lend itself to teamworking, as each individual has a ‘cell in a tower’. One HR manager commented thus on his experience in Paris HQ:

“I felt I was one of a number of individuals who all happened to be sitting in the same corridor doing things that were vaguely related rather than a member of a team working towards common goals and objectives. ... Aberdeen is different because it is smaller, and the role of the site is different.”

As for expatriation policies, the would-be expatriates receive pre-departure training in language and cultural orientation and tax advice. Scottish plant, like other foreign subsidiaries of the company, has a handbook of local terms and cultural points. The company also pays for children to attend an international or French school in the host country. Once in Scotland, expatriates are monitored to assess how they develop and what contribution they offer the group in the future.

Discussion and concluding remarks

This paper reported the findings of an investigation into HRM policies and practices of Scottish subsidiaries of two Japanese and three French multinational companies, conducted through interview-based qualitative research. The study shows both similarities and differences between these companies some of which are clearly compatible with their respective country of origins, and others appear to be rooted in the individual company’s specific approach and priorities. The views and preferences of the local workforce and management, rooted to some extent in Scottish industrial relations traditions and working practices, have also some bearing on how certain HRM policies are practised in these subsidiaries.

Similarities

There is a great deal of concentration of decisions on major HRM strategies and priorities in the headquarters of the companies involved. The subsidiaries appear to have autonomy in some but not all operative aspects of HRM. All the five companies have home-national expatriates in senior managerial and technical positions. Some of these expatriates are in Scotland to pass on professional knowledge and expertise in technical areas and to implement home-grown operational processes. Some are in managerial positions and have brought with them home-country management practices and impart them in their subsidiary through explicit and implicit means. The expatriates also appear to be spreading parent companies’ values as well as professional knowledge and expertise in their Scottish sites.

Differences

There are some differences among the companies which group them into Japanese and French camps, especially with regard to the notion of high-and low-context.

According to Hall (1989) and Hall and Hall (1990), in high-contexted cultures, such as those of many western nations, there is far more hidden, unspoken and taken for granted meanings when people communicate with one another compared to those people from low-contexted cultures. Further, the manner in which information exchange and communication are structured in business encounters can also reflect the high and low contexting. For example, high-context people, such as the Japanese, are rather slow getting to the point and do not expect to have to be very specific even when they do. They talk around the point. They think that intelligent human beings should be able to discover the point of a discourse from the context, which they are careful to provide. In contrast, the low-context people are fast getting to the point, tend to over-inform and are much more direct in delivering their message.

In the present study, the Japanese companies have a rather understated, subtle and non-confrontational style of passing on directives and instructions from the HQ to the subsidiaries - nudges and winks, persuasion and suggestion rather than orders and directives. This approach is compatible with their national culture which is said to be characterised among others by high-context, avoidance of open conflict and preference for harmonious relationships.

In the French companies, by contrast, the parents and expatriates express and practice their preferences more explicitly, and neither Scots or the French avoid open confrontation and disagreement if need be. This could be argued to be rooted in the low-context western culture and traditions in general of which France and Scotland of course partake.

The French companies' emphasis on their Frenchness can also be traced in what the French refer to as "l'exception française", manifested in many other aspects of their country, notably foreign policies and socio-cultural traditions, especially since the establishment of the Fifth Republic.

There are also some differences between all the five companies which appear to be associated with their own specific brand of management style: the choice and use of common company language, the approach to unionisation of their workforce, recruitment and training policies and practices, communication, remuneration, compensation and motivational policies, and expatriate management. An investigation into the organisational cultures of these companies was beyond the scope of the present study. But given the observed patterns, it can be safely argued that these individual differences are possibly due to each company's unique organisational culture and 'life experiences'.

Scottish subsidiaries earned mandate

The extent to which the local sites have autonomy and freedom to act appear to depend not only on the parent companies' strategy of albeit limited decentralisation but also on the subsidiaries' ability to earn their mandate (Roth and Morrison, 1992; Moore, 1994; Birkinshaw, 1995), through experience, expertise and at times bargaining power. Hautes-Alpes's Aberdeen site, for instance, clearly is in a strong position to determine some aspects of their HR policies because of the strong competitive market in which they operate and their accumulated expertise and experience to deal with it. Similarly, Sancerrois' subsidiary have been able to reject some of the HQ-preferred operational processes on the ground of their own better ways of doing things. In addition, Scotland, as a first-world nation, benefits from, among other things, a well-educated high-skilled workforce, able also to master new techniques, professional management teams and advanced communication infrastructure. All this places the subsidiaries in a strong position to earn the trust of their foreign parents and earn autonomy where appropriate or relevant.

Table 1: The Sample

Company	Country of origin	No of subsidiaries worldwide	No of employees worldwide	No of employees in local site	Main products	Main market
Hautes-Alpes	France	Over 100	69 000	N/A	Upstream (exploration, development and productions of oil and natural gas), downstream (transport, refining and marketing), speciality chemicals (coatings and industrial rubber)	Worldwide
Corbières	France	80	125,000	1084	Car tyres	80% exported Europe
Sancerrois	France	Over 100	13,878	240	In Scotland: Seamless pipes	Worldwide
Tosa-Wan	Japan	70	10,000	110	Thermal printers and watch components	Worldwide
Ise-Wan	Japan	47	26,425	859	In Scotland: Dot matrix printers, page printers, fax machines	Parent company worldwide; Scottish site: Europe

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